ADVANCED

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In This Issue . . .

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A New Look At Management Development — *Leland P. Bradford*

Role Of A Management Engineering Staff At The Corporate Level — *Harry H. Fite*

Role Perception In Management Training For Creativity — *John J. Hader*

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Acquiring The Tools Of General Management

WHAT ARE THE tools of general management? Is it possible that we have not recognized their existence and have therefore overlooked a great opportunity for polishing, sharpening and using them in every part of our business?

The general manager's tools are the techniques of planning, the principles of organization, the human insights of staffing, the practice of direction and the methods of control. The general manager uses his tools to unite the fuctions of a business in such a way that the product of the business as a whole has more value than the sum of the products of its individual parts would have. Every man who aims at a top management job should know what the "book" says about these management tools and how to use them—he should know it "cold" and then throw the "book" away. The rest he must learn from experience. Herein lies the difficulty which nags top executives. How can the men who are to succeed them get general management experience?

A business enterprise needs someone to take the responsibility in each of its parts; that is, the functional areas such as marketing, manufacturing, engineering, finance and employee relations. It is customary and logical, too, that a man start his business career in one of these functional areas and, if he is qualified, gradually work his way up in that particular specialty until he is thoroughly competent in all the technical aspects of his functional responsibility. When he tries to move from his own specialty into general management the technical knowledge he has gained is, if anything, a hindrance in his new undertaking.

Even if, in his growth with the company, a man has been "rotated" or promoted "laterally" so that his technical competence extends over more than one functional area, he still rates as a specialist and his move to general manager is only slightly easier.

The thing that has not been emphasized is that the tools of general management must be applied by the specialist in his special functional area. If he has been indoctrinated in the use of the tools of general management he will apply these consciously in his particular specialty and gain skill and understanding through actual experience. If, on the other hand, he is unaware of the basic principles of management he may stumble along, continually gaining technical know-how in his special field without gaining any real understanding of his management responsibilities. Then, when he attempts to make the transition from a specific functional area to a general management position, he will be inadequately equipped with the tools of the trade.

The sales executive who understands the elements which must be considered and the techniques which must be used in any long range planning of sales activity will not find it so difficult to face the same task for the business as a whole. If he has practiced good principles of organization he will realize the importance of making the most of his associates through establishing effective relationships. He will gain an insight into human motivation. He will learn to staff his organization with the most suitable people available, to emphasize their strengths and to lend support to their weaknesses. He will consciously direct and control his organization. The use of these general management tools, far from detracting from his value as a specialist, will make his functional success greater and easier.

Top management can best create an atmosphere that encourages the growth of general managers by its own example of good management. Of a more tangible nature is the sponsorship of in-plant supervisors' courses, paid university courses and encouragement of attendance at conferences such as those given by our own Society for Advancement of Management.

The continual development of an awareness of the tools of general management will encourage each man to seek his own set and to polish and sharpen them to a keen edge of effectiveness.

Dause L. Bibby
S.A.M 1st Vice President

Mergers And Acquisitions— The Personnel Department's Responsibility For Analysis And Action

by Gavin A. Pitt
Vice President
Johns Hopkins University & Hospital
Baltimore, Md.

OVER THE PAST DECADE some 7500 mergers were reported in the financial press. To translate this figure into a meaningful statistic let me put it this way—at least 15,000 personnel executives have been directly affected by these mergers. Whether the personnel officer has been with the acquiring or the merging company he has been faced with a new set of problems, not the least of which has sometimes been the need to look for a new connection.

And there is no end in sight to what has developed into the greatest merger movement in our industrial history. Practically every company with a net worth of one million dollars or more has received a merger proposition or has itself offered a deal to another company.

The current movement has an entirely different character from the two earlier merger periods. The first merger era extended from 1890 to 1904 and was aimed at building monopolies.

The second period followed World War I, and corporations were merged in response to a demand by the public for new securities in which they could "make a killing." Moreover, it is interesting to note that every new industry has gone through a period of growth by acquisition, A merger today, however, may be stimulated by a variety of reasons. A company's desire to strengthen its product line, to continue its growth, to diversify its interests, to effect savings, to attain tax advantages, or to secure a company's executive management, are some of the principal reasons which generate interest in an acquisition or a merger. Inasmuch as the moving forces of the present merger period are not limited to a single factor, the current movement bodes well to continue for some time into the future. As a result, it behooves personnel executives to take an objective look at their role in a merger situation.

In view of the importance of the discussion and the many questions to be resolved, merger negotiations are usually handled by the chief executive officers of the companies concerned. The need for the secrecy of the negotiations is paramount, for we are all familiar with stories in which a leaked-word has priced the stock of a company off the merger market. However, when circumstances permit, the personnel executive is in the best position in the company to analyze certain aspects important to a merger decision, for such considerations as availability of personnel, status of labor relations, wage rates and benefit programs are daily fare to him. The records are well documented with a multitude of problem situations which could have been alleviated, if not eliminated, through appraisal of certain aspects of the personnel program prior to the formal approval of the merger. It may be appropriate to examine five of the more troublesome areas.

One of the most basic problems which warrants careful investigation is the

After receiving an AB degree at Brown University in 1938 (with concentration in economics), Mr. Pitt remained at the University as Assistant Dean in charge of financial aid and placement. A year later he became Assistant to the Dean. In 1942 he went to R. H. Macy and Company as Manager of Executive Training and Personnel Manager of the Factory Division. In 1943 he became Administrative Director for the Hazeltine Corporation and Director of Personnel for Hazeltine Electronics Corporation. In 1945 Mr. Pitt went to the American Machine and Foundry Campany as Assistant Industrial Administrator. From 1949-55 he was an Associate of Booz, Allen & Hamilton, in New York. In 1955 he joined General Dynamics Corporation as Director of Personnel Services. He was named Vice President of the Johns Hopkins University and Hospital in September 1957.

availability of production personnel in the community. Although the company may be completely manned at the moment, a limited labor force in the area might be a serious handicap if the parent company is interested in expanding the facility or changing the product line. For example, last year one of the largest American corporations was considering the acquisition of a large company as a division. Before taking final action, however, the corporation sent a task force, including the personnel executive, to investigate the availability and the degree of training of laboring personnel in the area of activity. The study was presented to top management and because it revealed that labor in the area was in very short supply, together with the fact that the limited number of workers were practically untrained, the acquisition of the company was turned down.

THE adequacy of management personnel warrants careful consideration too. A company should anticipate in advance the problems of staffing the executive team in the event the acquired company has a dearth of able executives. And this suggests another point. When a merger is announced, the business community is always interested to note whether the president of the merging company will be continued. Some companies have made a grave error in prevailing upon the president to remain and direct the division. In this connection, several years ago a pharmaceutical company had an opportunity to make an acquisition at terms which made it a financial "steal." A quick appraisal revealed that the policies of the sales, accounting and manufacturing operations would integrate well with those of the prospective buyer. Next, the president was persuaded to remain and continue as head of the division, and the merger was consummated. Not many weeks later it was discovered that the personnel policies and the mode of operation of the division's chief executive differed substantially from the parent company. As might be expected, many problems developed together with a great deal of unpleasantness. One of the more serious results was the resignation of three key vice presidents who found the situation untenable. I have been told that if the prospective buyer had given comparable consideration to the integration of personnel policies as was given to sales, accounting and manufacturing, the merger would never have been completed. Sometimes a "steal" is not a bargain.

Another important area wherein the personnel executive might be of assistance is appraising both the labor relations history of the company under consideration and the labor climate of the community. There have been a number of cases wherein an acquired company has been resold or closed down because of an uncooperative or a militant local labor union. In like manner, it is a matter of record that many companies have moved plant facilities to other areas because of this problem. Several New England communities stand as mute testimony of the seriousness of this problem.

If a company has conceded management prerogatives at the bargaining table, if there is a running political fight between elements in a company's union leadership, if the labor contracts reveal an unrealistic attitude on the part of the union's negotiating committee, these problems can be interpreted as "straws in the wind," and it may be advisable to terminate any thought of acquiring that company.

Community wage rates should also be examined. The company which finds it has purchased a company located in a premium rate, high-cost-of-living area—but whose product competes against a similar commodity manufactured in a lower cost area—will suffer in our competitive economy. Moreover, the personnel officer will readily detect the potential hazards of operating in a community where one company—perhaps in a high margin industry — acts as a pace setter in that its rates, policies and benefits set a pattern which others must follow, even though it results in business failure.

Perhaps the most important area for examination and appraisal by the personnel officer is that of employee benefit programs. There is a great body of evidence to support the contention that such programs can be a major factor in merger negotiations. You may have heard of the multi-million dollar corporation which was shopping for a buyer last year. Although numerous corporations were approached, one of the major obstacles to a merger was the fact that the company had an unfunded pension plan with a past service liability which was 800% larger than the net worth of the company. Suffice it to say, this was only one of several aspects of its overall operation which discouraged any buyers. Likewise, another major corporation has admitted with some embarrassment that it had never realized that the large company it recently acquired had made no provisions in its pension program for funding its past service liability, now calculated to run into millions of dollars.

Some experts in the benefit plan field suggest that fringe benefit costs for the company under consideration be estimated as a per cent of the payroll. This makes for ready comparison with the cost per cent of the parent company's fringe items, and provides a basis for projecting costs. It is appropriate that the corporation should calculate the cost of continuing the present package of company contributions to the several benefit plans. Inasmuch as fringe benefit costs amount to about 20% of payroll and to reduce them might cause a serious morale problem, it behooves top management to consider such matters before the merger is consummated. One of the leading companies in its industry has a uniform employee benefit program for all of its divisions. Although the company operates a business development department which is charged with the responsibility of analyzing all phases of acquisition situations, it failed to study the employee benefit plans of a company recently acquired. Unfortunately, the benefits are far less liberal than those of the parent organization and the personnel department is asking "Why didn't the development department consult us when they were studying the situation?" On the other hand, there may be more cost hazards in acquiring a large company which has more generous benefit plans than the parent organization, thus forcing an increase in its benefit programs.

IT IS appropriate that we now move on and appraise the role of the personnel executive upon consummation of an acquisition. Let us assume from here on that we are considering the role of the personnel department of the parent company in a corporate organization with decentralized divisions which are autonomous. A major responsibility for implementing the merger in an expeditious manner will rest with the personnel executive. Prior to any study or analysis of the present status of the acquired company, it is important that the personnel executive of the parent company establish good rapport not only with his counterpart in personnel but with all officers of the new division. Visits to a division are far more effective than exchange of inanimate memoranda which will be read by both parties for hidden

meanings. Without good rapport, it will be difficult if not impossible to readily determine problem areas in the division's organization and policies.

It is often difficult for a company's second and third levels of management to accept the fact that the company has lost some of its personal identity and independence of action. Of far greater concern to individuals on the management team is the uncertainty of their own future. The well-qualified executive, however, need have no apprehensions because, not only can he continue to handle his present assignment and perhaps move into a more responsible position in the division's organization, but opportunities in other divisions or in the parent organization will also be open to him.

AFTER good relationships have been established, study and analysis of the new division's personnel policies and programs can proceed under favorable circumstances. Recommendations and action growing out of such study will, of necessity, be guided by a variety of different factors in each organization.

Communications will be one of the first and most important assignments. This indeed should start, if possible, before the merger is completed. The employee publication of a merging company has an excellent opportunity to introduce and sell the new parent organization to its own employees. Advantages for the employees which stem from the merger should be pointed out and fears of employees allayed. All means of employee communication should be utilized in the selling and training effort, with equal attention to both timing and content of the message. Nowhere is the concept of "two-way communication" more important than in merger situations, and the personnel department must be attentive to the messages returning, sometimes by faint smoke signals, along the channels of communication.

In view of the substantial costs involved in any employee benefit program, this subject usually rates a priority for early study and analysis. Let us take, for example, the problems of pension plans, and in this connection you may be interested in the experience at General Dynamics. As you probably know, the five divisions located in the United States include Convair and General Atomic on the west coast and Electric Boat, Electro Dynamic and Stromberg-Carlson in the east. From an industry pattern point of view, it extends from shipbuilding on the low side to aircraft on the liberal side. When Convair joined the corporate family it had a liberal pension plan requiring a contribution of 3½% of salary under $250 plus 7% of all additional salary. In view of the high cost of employee contributions, only a small percentage of the employees participated. As a result, the plan was criticized by the internal revenue service. At the same time, several of the other divisions had very moderate pension programs. After careful study of all facets of the problem, it was thought appropriate to develop a corporate-wide contributory plan for salaried personnel in all domestic divisions. Fifteen months transpired in the development of the plan during which many conferences were held with divisional executives and pension consultants. The revised retirement plan became effective October 1, 1956, at which time 89% of those eligible had enrolled in the plan. Negotiated plans were left to the divisions so they would be competitive in their industry.

The revised plan has provisions which make it more attractive to all of the divisions. Moreover, because of its uniformity it will facilitate the transfer of management and technical personnel between divisions. Of equal importance is the excellent rapport established among the executives concerned with the development of the plan. The integration secured through this corporate plan is an important milestone. The frank discussions of divisional personnel problems were extremely beneficial to all participants.

To return to our general analysis of employee benefit programs, a study of sickness and death benefits in a newly acquired division may reveal that through the benefits of large group funding, even though there are different policies serviced by a single insurance carrier, a lower retention or administrative charge may result. This saving might be directed to the purchase of improved benefits, thereby strengthening the company's competitive position in the community at a minimum increase in costs. In like manner, the corporate personnel officer should examine the salary administration program of the new division. Many problems, including the loss of key personnel, stem from the inequities of an out-dated salary structure.

Although the corporate personnel staff is concerned with all aspects of the new division's personnel operation, it must concentrate its efforts in those areas wherein the problems are most obvious and acute. The adage "make haste slowly" is good counsel for the personnel executive. Failure to heed this counsel is an important factor in explaining why some personnel officers become discouraged and change positions every several years.

In addition to the study and analysis of a new division, the corporate personnel staff has the opportunity to encourage exchange of experiences of the personnel officers in the company's several divisions with each other. For example, group meetings or exchange visits of a corporation's divisional training directors, employment managers and cafeteria managers develop both a knowledge of and a pride in the corporation which can be achieved in no other manner. One of the large multi-division chemical companies has had notable success in bringing together each year the men directly involved in safety in its various divisions. They meet as a group in Chicago before and during the national safety congress to discuss their common interests and to exchange ideas and information on safety practices. These meetings have been of immeasurable help in promoting understanding and liaison among the divisions of the company.

COORDINATION and integration by the corporate personnel staff of certain personnel activities are prime requisites in some areas. Since research and development has made such great strides during the past decade and is such an integral factor in a company's stability and growth, it is important that everything be done to maintain adequate scientific and engineering personnel throughout the divisions. I am reminded that one west coast company, recognizing its acute need for engineers, acquired an engineering organization, thereby gaining the services of over 300 top-flight engineers.

The limited supply of graduating engineers suggests the wisdom of divisions and parent corporation telling of both local and corporate-wide opportunities. Although several major organizations have centralized recruiting and engineering trainee programs, there is merit in each division maintaining its identity and still benefitting by the name and reputation of its parent corporation. Under such an integrated plan, a recruiter of one division, if he were unable to utilize an applicant's back-

ground, would refer him to another division of the corporation. Through the coordination of divisional recruiting programs, the success of the whole will indeed be "greater than the sum of its parts". Recognizing the close relationship between recruiting and cooperative training programs, our own organization has grouped the coordination responsibilities under one personnel officer.

And lastly, one of the most important services which the corporate personnel staff can render relates to management development. Far more important than the physical properties which are acquired by a merger are the employees of that company and especially those who are fulfilling any type of management responsibility.

Mr. John Jay Hopkins, chairman and president of General Dynamics, expressed this concept very clearly when he said: "to a young, growing dynamic organization such as ours, the most valuable assets we possess are not our plants and laboratories, but our employees . . . our value as employees is not solely dependent upon technical skills or administrative competence. Equally important is a sense of partnership, of loyalty by each employee to the idea of divisional and corporate leadership for the welfare and development of the individual. This mutuality of interest makes possible a production team of depth, diversity and ingenuity, capable of unique achievement."

THE general manager of a division of a corporation has the ultimate responsibility for management development in his own division. In this connection the corporate personnel staff can be of material assistance, counseling on development programs which can best be adopted to the division's particular problems. The personnel staff can also render important assistance to top management through periodic reports on the progress of management personnel throughout the divisions. Then, as larger opportunities develop in that division or elsewhere in the organization, the corporation will be prepared to continue its growth by adherence to the fundamental concept of "promotion from within".

In conclusion, I would remind you that members of the corporate personnel department are staff officers. Like other corporate staff departments, it is an extension of the office of the president. The motto of the U. S. Army Quartermaster Corps expresses the role of the staff officer so succinctly—"service to the line". He has no direct authority over personnel policies in a division but serves only as a counselor to divisional management and its staff. For this reason, a corporate personnel officer would be shortsighted and remiss if he did not keep in constant contact with his counterpart in a division, thereby securing the benefits of this personnel officer's reports and recommendations.

Setting personnel policies and programs to one side for a moment, I would conclude with this observation: the success or failure of any merger will evolve in large measure from the degree of harmonious relationships which are developed between the parent organization and the division. And those of us who serve as personnel officers in a multi-plant or multi-division organization, since we have been schooled in the climate of human relations—whether our department is called human relations, employee relations, industrial relations or personnel—can make a major contribution to the success of a merger by bending every effort to the establishment of harmonious relations throughout all divisions of the corporation. ■

Management And Success

by Robert G. Hess

Executive Vice President,
Walworth Company, New York,
and Chairman, Management Division,
American Society of Mechanical Engineers

EACH OF US has his own private definition and interpretation of success, for we all have objectives in life based upon our own individual interests, background, ethical standards and desires.

But success of any business or industry can be fairly well defined and measured. In our American economic sytem, an industry normally has the broad objective of producing and selling goods and services, of a price and quality satisfactory to the buyer, under good working conditions, with fair wages and salaries, and at a profit. The degree to which each of these factors is emphasized may vary from one company to another, but for a company to have continued success all must be present. Together, they represent the climate for success.

The ingredients necessary to produce this climate for success are men, equipment and money. It is equally true that the ingredients necessary to produce a climate for failure are also men, equipment and money. The blending of these ingredients to produce success instead of failure is the job of Management.

Unfortunately, a recipe for success cannot be purchased like a cake mix—ready to stir up and pop into the oven. There is no magic formula to substitute for the careful planning and hard work which is good Management.

In evaluating any successful company the most important single asset is the people—the men and women who make up the organization. Therefore, the primary job of Management at all levels of the organization is that of promoting group effort toward a common goal. Providing the best conditions for maximum group results is a complex subject covering all phases of human relations. However, there are two fundamental principles which I believe absolutely essential for group success.

First, the common goal, or company objective, must be known and understood by all. Each person can make his proper individual contribution only when he knows in which direction the group is going.

Recently I saw a comic strip which showed one little boy meeting another as they passed on a sidewalk. "Where are you going?" one asked. "Nowhere. Where are you going?" was the reply. "I am going nowhere, too," the first boy said cheerfully. Then suddenly he stopped, turned around and called back, "Say, how can be both be going to the same place when we are going in different directions?"

Men in Management must remember that if the people in their organization do not know the company objectives—if they are going in different directions—they, too, are going nowhere.

Assuming the presence of competent individuals and a sound organizational structure, the second principle for successful group performance is based upon the word *faith*—faith in the inherent desire of man to do his best when he knows that confidence and trust have been placed in him and when he knows what is expected of him.

Men can perform beyond their capacities when they know that someone believes in them and is counting on them. A group instilled with this knowledge can be unbeatable.

Therefore, it is my firm conviction that the Manager whose philosophy embraces these two principles—a known objective and a known confidence in his associates—is the Manager who has the key to success. ■

A New Look At Management Development

by Leland P. Bradford

Director
National Training Laboratories
National Education Association
Washington, D. C.

WHETHER on the levels of executive or management development or of supervisor of foreman training, the problems of leadership improvement (the core of all of training programs) are many and complex.

Basically, the problem of industrial leadership is that of working with people, individually and in groups, so that goals of industrial productivity and human satisfaction can more adequately be met. It is increasingly clear from both research and experience that effective individual and group human relations do not result from manipulative tricks or techniques or from a few pat answers to all human problems, but rather from basic development of the individual in his ability better to understand and relate to the people with whom he has contact.

It is for this reason that leading industrial, governmental, and community agencies and organizations are gradually turning away from the short packaged courses attempting to tell the leader what to do to others, to more effective long range development programs attempting to help the leader understand and improve himself in basic qualities of leadership and membership.

An executive, manager, supervisor, foreman, may be a leader of one staff unit, but he is also a member of another staff unit in which the person on the next higher level of authority is leader. Consequently, major emphasis in management development should be given, not to teaching *about* human relations, but to developing the ability to become both an effective leader and an effective member of a work or staff unit.

Such effective leadership and membership requires understanding of oneself, ability to listen to others, diagnostic understanding of group problems, ability to contribute effectively and appropriately to the work group, understanding of the complexities of inter-group and intra-organizational problems. The following table indicates learnings necessary for effective leadership-membership development.

Without self-awareness and recognition of the impact, or lack of impact, one has on others, there can be little intelligent leadership. Without the diagnostic ability to recognize group problems of inadequate communication, interpersonal strains, buried emotional problems, the leader or member can do little intelligently to solve them.

The individual leader or manager needs to know how to help his group find a more effective place in the organization, so that tensions between units can be reduced and communications improved. Basically, the problem of a group's or unit's finding an effective place in an organization is very similar to the individual's problem of becoming an effective member of the work team. Groups need the ability to diagnose problems between units. They are frequently between units.

Thus the basic goals of management development, beyond the technical knowledge needed for the manager's particular assignment, are to help him grow in self-awareness, in diagnostic sensitivity to the individual, group and organizational relations in which he is engaged, and in competency to work effectively with others.

These goals call for growth, improvement, and change in the ways in which the individual views himself, understands and respects others, and interacts with others in a work situation. These goals may call for change in the rigidity with which the individual resists change and in the degree of anxiety

DR. BRADFORD has been Delegate to several International Conferences for U.S. national organizations. He has been Director of Training for the U. S. Bureau of Immigration and Naturalization and Director of Training for the Federal Security Agency. He received an A.D., A.M. and Ph. D. from the University of Illinois, where he also served as an Instructor. Dr. Bradford is a member of the American Psychology Association, the National Education Association, Adult Education Association of the U.S.A., the National Society for the Study of Communication, and the Society for Psychological Study of Social Science.

with which he faces human situations.

This brings us to the basic issues of management development training. The fundamental goal of any training or development program is to bring about change in behavior. Anything less is ineffective. We cannot be content with the assumption that learning information necessarily leads towards behavioral change in actual individual performance back on the job. One can read many textbooks in psychology or sociology and have no further insight into himself — or no further ability as a leader. Inspiration and knowledge may lead to shift in attitudes, but this does not necessarily lead toward behavioral improvement. *If we are going to take a tough-minded, dollars-and-cents approach to management, we cannot be content with less than improvement back on the job.* This means improvement in the way the person "is" and the way the person "does"—improvement in the inside integration of the person and his outside effectiveness. This means improvement in the ability of the person to hear and to see, so that he will better be able to decide and do, as leader, to help others to hear, see, decide, and do more effectively.

This does not deny the need to learn knowledge of facts. It merely sets attitudinal change, inspiration, knowledge into a bigger purpose of trying to bring improvement in the way the leader, manager, and worker is and does, not only on the job but in his total life. The real task of management development is to develop leaders and members who can work effectively in today's society.

Barriers to Growth and Change

With the clear target of improvement or change in individual leadership-membership performance as one of the main purposes for management development programs, we need to examine resistances to improvement and change both within the individual and within the job situation of which he is a part.

With these areas of resistance more clearly seen the training conditions necessary for change can be delineated.

No matter how much he may verbalize his desire to learn, each person brings to a training situation, at most, almost total resistance and, at best, ambivalence about learning and change.

Improvement or change in being and behaving, as contrasted with learning words and ideas, is always threatening to the individual. It takes him into areas of personal behavior where he has not been before. It raises questions of personal inadequacy. It brings anxieties about failure and possible ridicule. It threatens the individual's comfortable self-image as a person. It increases self-doubt.

This is why many *ineffective* training programs are well liked by trainees. The very fact that the ineffective programs remain only at the telling, exhorting, or demonstrating level makes them popular because they do not demand change. They arouse no realistic expectation of change in the individual, although they enable him to go away saying he has been "trained."

One of the major tasks of any program of management development is to bring to the surface the individual's resistances to growth and change, and help him to decide whether he really wants to undergo the difficult task of learning and changing. Unless the individual ultimately reduces his resistances and commits himself to a program of change, training will be ineffective, no matter how beautifully dressed or persuasively presented.

Outside Job Resistance to Learning and Change

Encouraging change in behavior, attitudes, and ideas in the protected environment of the training situation is usually far easier than maintaining the changed behavior in the midst of the stresses and strains of the job situation.

If the individual is perceived as too different, as a result of training, from his colleagues back on the job, efforts he makes in terms of new behavior will be resisted and rejected.

The attitude of the trainee's superior back on the job will have much to do with the ability of the trainee to use what he has learned. When the trainee's superior is receptive to change in his subordinate's behavior, the new attitudes learned in the training program are more likely to be put into practice after training than when the superior does not approve of, or is indifferent to, the change. Recognition of this fact brings about the almost universal comment from trainees that they "wish their boss could take the course."

On the other hand, the trainee's subordinates often become a resisting force to his changed behavior. If he returns to the job more sensitive to problems of his workers, as a result of the training program, he may find himself viewed suspiciously by his subordinates as now equipped to do them harm.

Frequently, a trainee returns to the job doubtful of his ability to carry out new behavior patterns. So, he magnifies the resistances and barriers he faces, thus increasing resistant forces.

Because the manager, supervisor, or foreman is operating in the middle of a set of pressures from many forces, he is not really a free agent to create change in his way of working. *Training programs, therefore, need to accept as a second basic task that of helping the trainee on whatever level he operates, to locate or build supports back on the job and in his life which will enable him to maintain any changed behavior and to continue to change and grow in desirable directions.*

Basically, the problem of encouraging learning and changing is an unfreezing-moving-refreezing cyclic process, in which the first purpose of training is to help the individual unfreeze his present level of being and behaving.[1] The second purpose is to help him move to a more effective level of behavior — this is the process of changing which in itself has many complexities. The third purpose is to help the individual refreeze his new level of being and behaving so that regression to the previous lower level will not readily occur. This last purpose entails helping the individual recognize the forces of resistance to his changed behavior back on the job, and build ways of maintaining or refreezing this change.

Human situations are always dynamic rather than static. Change in the behavior of one individual in a situation disturbs the equilibrium of the situation and exerts pressures on others to change. Their resistance to change, in turn, may sufficiently increase to bring about regressive change in the individual introducing new behavior. Therefore, efforts to help the individual maintain changed behavior after training, back on the job, need to take the form of *bringing about change in the situation to which he returns.* Only in this way can he maintain, and continue to improve, new behavior.

The purpose of training is to create change agents who, by encouraging a process of change in their job situation (which usually means affecting those working above, below, and on both sides of the individual), are refreezing their new behavior and initiating a process

[1] *Lewin, Kurt. "Frontiers in Group Dynamics: Concept, Method, and Reality in Social Science; Social Equilibria and Social Change."* Human Relations, *1947, Vol. I, No. 1.*

of further change through the unfreezing-moving-refreezing cycle.

Conditions for Effective Training

Now that we have examined basic problems of helping the individual resolve his own resistance and conflicts about change and of helping him maintain change back on the job, we can turn to analysis of conditions required to bring about the unfreezing-moving-refreezing cycle.

It should be obvious that the complexities of encouraging and maintaining change are such that no simple packaged course or single technique of teaching or training will be adequate. Effective management development training is a matter of design, in which a combination of learning experiences, each having its weight with other experiences, is carefully articulated so that maximum encouragement for change is present.

The National Training Laboratories have for the past twelve years experimented with ways in which the following conditions can be built into a training design:[2]

Exposure of behavior—The first condition is that the learner needs to be involved in an experience situation to the extent that his behavior is actually involved and exposed. So long as we do not have to look at the way we actually do things, we seldom get a clear picture of what we are doing, how we are doing it, and what happens as a result. Exhortations and demonstrations as to how to do better are accepted but not implemented because the individual hasn't really had to look at what he does and the consequences of it on the job situation. Analysis of the inadequacies of other people still is not too likely to bring about change in behavior, even though it may bring about considerable improvement in the person's ability to analyze case situations. In the Case method, learners are looking at someone else and can become adept at telling what others should do without necessarily relating the analysis to their own behavior. It is possible to agree that one ought to change without being very clear as to why or how.

However, when the individual has exposed his own behavior before his colleagues, whether in a training situation or not, he has exposed it to himself, often for the first time. He has begun to see through the eyes of others what his behavior has looked like and what it has done. He is strongly motivated to do something about it. In studying human relations and human behavior, analysis and experimentation with one's *own* behavior is necessary. Looking at other people's behavior is helpful after one has seen one's own.

In a recent training program for company executives, one man, who was the president of his company, told the training group at numerous times and in various ways, that he believed himself to be a very warm-hearted, democratic person who liked people. On the other hand, he repeatedly told the group that he had many troubles with his executive officers. He said they were apathetic, uncreative, and somewhat irresponsible. He said, also, he had trouble in controlling and directing his staff meetings. When someone asked him why he felt the need to direct these staff meeetings, he said it was because he couldn't trust anybody else to do it.

Now, whatever the uneasy feelings were which brought this man to the training program, it was pretty clear there was great distance between his self image and the picture that came through to us, as we watched his behavior in class. Instead of being warm-hearted, he seemed hostile and fearful of people. Instead of being democratic, he obviously was very autocratic. There was a discrepancy between how he *liked* to see himself and how others saw him. Any training program which talked about good administrative behavior would have brought nods of approval from him. If the statements said, "Management ought to be employee-centered," he would have seen himself as being that way.

Obviously, information about more effective management would have been accepted by him, put probably not put into practice. Pointing out the discrepancies between his statements would have been argued away or not understood by him.

Until the individual's behavior has actually *been exposed to himself* and to others in the learning situation, there is little likelihood of real change. Once the individual has brought out and faced up to his own true behavior in inter-personal and group situations as leader or member, the work of retraining can begin. As reactions from the group to the consequences of his behavior appear, he faces the need either to become defensive and reject them, or to consider them in making any decisions about his own personal ways of doing things. It is at this point that the trainer helps the learner face up to his ambivalences and resistances to change.

In too many training situations, learners deal with non-personal "there-and-then" data. Talking about executive practice or analyzing a case is basically dealing with somebody else's behavior. Once the individual is willing to look at data about his own actions, he is dealing with personal problems using "here-and-now" data.

Feedback—It is not enough merely to expose one's behavior. People do not learn just by doing. Experience must be followed by careful analysis of results so that the person may be helped to see the discrepancy between what he actually accomplished and what he thought he accomplished or wished to accomplish. Training staff and training group need to provide a feedback system which sets up a kind of mirror that will enable the person to see himself as others see him and to get analytical help in looking at the specific causes of his behavior.

The higher the level of management, the more infrequent the giving-out of adequate feedback. Subordinates tend to respond with "yes" comments, and superiors are fewer in number. It is for this reason that many executives are out of touch with the human variables of their organization.

Management development programs, therefore, must make it possible for those undergoing training to receive effective feedback about their personal performance.

The process of giving and receiving feedback is a complex one. Each person builds up a screen enabling him to filter out or explain away reactions and comments which appear threatening to his self-image. Each individual needs to

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Try to avoid paying for work that has already been done. It is often faster and less costly to spend the time putting together present knowledge into a solution of your problem than trying to be original.

by J. H. Rand
Revolution In The Making
The Management Review, Nov. 1957

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[2] *Bradford, Leland P., Ed.*, Explorations in Human Relations Training: An Assessment Of Experience 1947-1952, *National Training Laboratories, 1201 16th Street, N. W., Washington 6, D. C., 1953. 87 pp.*

be helped to reduce defensiveness so he can accept feedback comments (reactions indicating the extent to which his behavior reached his target and the extent to which his target or goal was desirable). He needs help in recognizing non-verbal feedback signals, sensitivity in understanding the feelings behind people's statements. The training program can build a training group in which feedback to individuals can be developed.

Atmosphere — An emotional climate for training is needed for two reasons. 1) Exposing one's behavior and receiving feedback data about one's inadequacies are frequently painful. People tend to be defensive about their behavior, but by being defensive they close their eyes to any possibility of change. A climate which *reduces* defensiveness and creates an atmosphere of permissiveness to accept inadequacy opens eyes and ears to the possibility of change and improvement. Without such a climate, the individual resists any implication of inadequacy, refuses to try new ways of behaving, and defends present practices through a series of rationalizations. Permissiveness helps to eliminate guilt for failure or inadequacy without eliminating desire to improve.

A second need for an adequate emotional climate is for the instructor to give *emotional support* to the individual as he goes through the rather defenseless and awkward stage of learning new ways of behaving. Without emotional support from the trainer, and particularly from colleagues, the individual will usually resist trying out his new behavior.

Knowledge as a map — Knowledge from research, experience, and past knowledge is obviously necessary for growth and change. The real problem is to make it available. Too frequently it is presented before the learner has made any commitment for learning or sees any need for change. It is analogous to giving someone a roadmap before he has decided to make a trip.

SOMETIMES knowledge obtained from exposure of an individual's behavior can be used as a shock to encourage the individual to examine his personal need for change, when the purpose is to help the individual understand the inappropriateness of his ideas, attitudes, and behavior or to map out desired changes. Obviously, training for change must continuously intermix exposure, feedback, presentation of knowledge in cyclic fashion. However, the places in this cyclic process in which knowledge is needed should be carefully determined in relation to resistance to learning and change.

Experimentation and Practice

Learning and change call for opportunities for experimentation and practice. Each individual needs to experiment with various ways in which new patterns of thought and news ways of observation and behavior can become a part of himself.

To the same extent, new behavior needs to be practiced before it is taken back to the job. If the individual has any insecurity concerning his capabilities in trying something new on the job, he will usually regress to old and more tried ways of behavior. Many a training program has turned out to be ineffective, not because the individual did not "learn," but because he did not make it a part of himself to a point where he has sufficient competency and confidence to put it to work back on the job.

Application

Training programs on all levels need to give major attention to teaching individuals to learn how to maintain changed behavior back on the job, and how to bring about a process of change on the job situation. One training example may suffice to indicate how this difficult task may be accomplished. In small groups of three to five, trainers can role-play the task of reporting their training experiences to superiors, colleagues, or subordinates. This spontaneous, dramatic method of role-playing by instructors enables trainees to watch forces of resistance to change on the job, as they may later take place in their own plants. One member of the small training group can play the role of himself reporting back. One or two other members can assume the roles of those to whom he is reporting and can ask critical and rejecting questions to test the effectiveness of the reporting. The other members of the small group can observe the scene to identify barriers and resistances encountered and inadequate efforts to overcome the barriers used. Frequently, such role-playing will make starkly clear to the trainees that their first problem is to re-identify themselves with their job situation and to re-establish themselves with those with whom they work so they can have a stable position from which to exert influence for improvement and change on the job.

Following this simple but effective role-playing scene, the training program can concentrate on ways in which each individual may more adequately diagnose resistances to change on the job, locate supports and assistances enabling him to maintain new behavior, and identify leverage points at which he can exert maximum influence in encouraging others to examine their need for personal, organization, or job change.

Learning How to Learn

A final purpose of an effective training situation is to help the trainee learn how to continue to learn from daily experiences. This, basically, is developing a continuous cycle of unfreezing-moving-refreezing-unfreezing-moving-refreezing.

Effective human growth and good mental health are largely measured by the extent to which the individual is able to gain nutritive value from his life experiences. Individuals most resistant to change and with highly rigid personality structures reject many job and life experiences and close themselves off from gaining value from changing experiences. On the other hand, individuals who are too "other-directed" and who have little internal ability to chart direction, equally gain little nutritive value from experience because they react too readily to external influences. Like weather-vanes, they change and regress with equal facility.

If industrial leaders on all levels can be helped to become more diagnostically competent about human and change situations, more aware of their own behavior and its consequences, and learn how to become both participants and observers in their work situation, they will be better able to continue their process of learning long after the training period is completed.

Obviously there is a variety of training designs which could meet the above seven conditions. No one training approach is uniquely ideal. At the same time, the task of developing and designing a training program which will meet these conditions is a difficult and delicate one. To illustrate the complexity of designing effective training programs, the following design created by the National Training Laboratories[3] as a two-week management development program for company executives and top-level managers is described.

[3] *National Training Laboratories Annual Conference for Key Executives on Executive Behavior and Organizational Effectiveness, 1957, 1201 Sixteenth Street, N. W., Washington 6, D. C.*

This program brought together a carefully selected group of key executives from a variety of companies for a two-week period. The purpose of the program was to help in the personal development of these men as industrial leaders, and to increase their diagnostic awareness of human and organizational difficulties and complexities of present-day industrial concerns. The program was held at a residential center away from distracting job demands.

The program started in the late afternoon with as brief a statement of purpose and plan as could be reasonably made, under the assumption that while certain directions and purposes needed to be made explicit, words would have little real meaning at this point.

The opening session was followed by one in which groups of four were involved in a participative case. Each of the four in each group was asked to assume the role of a vice-president in a company (each a different vice-president). Sufficient data were given about the company to enable them to fill their roles effectively.

THE participative case actually starts four days after the sudden death of the president of the company. The four vice-presidents have just been informed by the widow, who now owns the controlling stock, that she wishes them to manage the company, at least during the next year period. Thus, they face, at this point, problems of organization of the four of them into a working group and problems of decision-making about product change, financing, and company reorganization (all written out as problems in the briefing sheets).

Each group of four works through its problems somewhat differently. A staff member working with each group helps it to examine the effectiveness of its collective behavior, the assumptions made, and the human problems solved or unsolved. Groups later compare their behavior and results with other groups.

Usually this brief exposure of behavior of each person in small, rather well-protected groups brings inadequacies of decision-making and interpersonal strain sufficiently to the surface that the participants are now more ready to look at organizational and individual problems. The first day can now appropriately end with a more systematic presentation of problems of organizational decision-making.

From here on, the program followed a systematic pattern. Two hours each morning were spent in an unstructured training (T) group in which the same group of approximately fifteen persons met together each day for ten days. Each group faced the task of working out its own leadership, goal-setting, and decision-making patterns and of developing the group into one in which a maximum amount of feedback could be given to each member by the group. As a result, the vacuum created by the fact that leadership, procedures, and goals were withheld, the participants tried to supply missing ingredients. By so doing, their behavior and its effectiveness were quickly brought into the open for analysis and feedback. They found that they couldn't agree on goals, that strains and anxieties occurred, that basically they weren't listening to one another. The trainer's functions were to encourage the group to face and diagnose the group problem, to make it legitimate to bring interpersonal feelings to the surface so that communication blocks could gradually be removed.

From this two-week experience of two hours each day, participants gained greater insight into themselves, into the consequences of their behavior on others in the group (and, by generalization, on others in their real work situation), into the reasons why staff and work units frequently have so much difficulty in working productively, and into the basic requirements of good leadership. These learnings were not merely verbal learnings. They were insights, increased sensitivities, increased ability to work effectively with others.

Each morning, following the training-group experience, research knowledge and theory about group behavior were presented to help give further understanding of the experiences in the morning. At the end of the two-week period, principles of individual and group behavior had become meaningful as a result of experience, feedback, analysis, and presentation of systematic knowledge.

Afternoon sessions paralleled morning programs in that the reports of recent research about industrial organizational effectiveness were preceded or followed by a variety of small, somewhat structured, participative case experiences. Evenings were devoted to opportunities, in small discussion groups, to follow problems raised during the day, or to explore larger issues of industrial management.

During the final few days, efforts in analysis and working groups were made to help toward applying learnings and changes to the back-home situation.

Here, then, in a carefully integrated sequence difficult to describe in this brief section, conditions of exposure, feedback, atmosphere building, presentation of information, experimentation and practice, application and learning better how to learn were encompassed.

Obviously, people are not remade in two short weeks. But insights into ways of learning, deeper awareness of one's own behavior, greater sensitivity to human problems of organization and work were at least started. And the target of training *had been* improvement back on the job. ■

LEMUEL R. BOULWARE

S.A.M 1958 Award Winners

FRANK H. NEELY

THE Society for Advancement of Management's 1958 Human Relations and Taylor Key Awards will be presented to the recipients at an Awards Banquet to be held Thursday evening, October 30th, during the S.A.M Annual Fall Conference in New York City, at the Hotel Statler.

Mr. Frank H. Neely, Chairman of the Board of Rich's Inc., Atlanta, Georgia, has been named to receive the 1958 Taylor Key Award.

Lemuel R. Boulware, Vice President and Consultant in Public and Employee Relations for the General Electric Company has been selected as recipient of the Society's 1958 Human Relations Award.

A full report on the awards presentations will be published in **Advanced Management** following the conference.

Role Of A Management Engineering Staff At The Corporate Level

by Harry H. Fite
Vice President and
Washington Manager
Lester B. Knight
& Associates, Inc.

THE PREVALENCE of decentralized operations in today's business economy brings with it the major problem of exercising centralized corporate control. Hence, many businessmen seem currently to have a lively interest in so-called "intra-company management engineering staffs". These are staffs *within* a company or corporation which render more or less the same kind of service rendered by the consulting management engineering profession. While a number of articles have been written on this subject in times past, they have concentrated on how such staffs function and tended to deal only a glancing blow to the question of where such groups properly fit into the corporate scheme of things. (Except, of course, to assert vigorously that they must be located "at the summit".) Hence this article is written on the topic of organizational placement and interrelationships of such staffs at the *corporate* level of an enterprise.

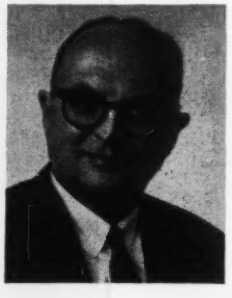
Bad handling of the problem of "cutting the responsibility pie" among the several corporate line and service departments on the one hand and a corporate level management engineering staff on the other can be fatal to the latter group. This is so even though it performs its work with consummate skill and has the passionate amount of top management support which is essential before it even hangs out a shingle.

The relationship with line and service departments of the corporation must be established first. Later there must be a clarification of the relationship between management engineering work at the corporate level and similar activity at other levels of the corporation. The fact that the *primary* responsibility for streamlining manufacturing activities belongs to the manufacturing executive and for rationalizing purchasing procedures to the purchasing executive must not be lost to view. To the extent that the emphasis sometimes given to the "control" functions of these intra-company management staffs has beclouded this issue, it has rendered a disservice.

The whole spectrum of relationships from "speak when spoken to" to an iron authoritarian right to dictate organization and systems has been tried in attempting properly to fit such management staffs into both public and private organizations. Despite the appeal of the "control" concept, it has turned out to be a booby-trap. A "brains cartel" in the long run proves to be as limiting as the economic kind. Experience indicates that the best pattern is one that leaves it up to the management staff to make its way in the world through the power of "know-how" and the persuasiveness of service.

It is conceded that in some organizations the relationships between a management engineering group and other corporate departments have worked out satisfactorily in practice even though they remained implicit. Nevertheless, such good relationships are always vulnerable to changes in personalities. This argues for the desirability of arriving at an explicit understanding of the particu-

HARRY H. FITE joined Lester B. Knight & Associates, Inc., in June 1956, after serving for a year as Director of Management Division DCS/LOG, Department of the Army, and a year as Director of Industrial Technical Assistance Overseas Program, Foreign Operations Administration. Mr. Fite was Director of Administration for Europe for E.C.A. and its successors, M.S.A. and F.O.A. from 1950-53. From 1941-48 he was Deputy Chief of Management Improvement Program for the U. S. Bureau of Budget, and Administrative Analyst for the same bureau. From 1936-41 he held the position of Staff Management Engineer for the Public Administration Service, Chicago. Mr. Fite is a member of the Society for Advancement of Management, ASTD and Systems and Procedures Association.



larly delicate division of labor between a corporate "management" division and the line and service organizations of that corporation. Whether he publishes it in the corporate organization manual or not, a prudent chief of a management division should go through the exercise illustrated by the following chart. The results will be useful for his own guidance and as a basis for reaching agreement with corporate line and service executives that some such pattern shall prevail.

Concept of Intra-Mural Management Engineering Performed "In Echelon"

Besides clarifying the relations between a corporate level management department and corporate level line and service departments, it is essential to develop a philosophy and understanding about how the formal management engineering job is to be assigned among the various levels of the corporation — corporate, division and plant. Until this answer is known a management department cannot develop a work program.

By performance "in echelon" we mean that there are certain types of activities which should be performed at the corporate level, other types at the division and still others at the production level. While these types can never be the exclusive province of a single level, there is a trend toward a high degree of specialization in this respect. We believe that this approach, which could be described as "developing grass root details at the grass roots", is firmly buttressed by the facts of human nature — nobody likes to be *told* "do it that way" — and the realities of organization life illustrated by the following charts.

Ideally, therefore, *management engineering* or *management support* activity should conform to the same pattern. This is the trend in most progressive organizations today.

Thus, modern management thinking has reversed the old "efficiency expert" concept of the early days of the "managerial revolution," which could be charted like this:

By process of elimination we can now arrive at a concept of the proper functions of a corporate level management engineering department and derive from it some ideas about the kind of work program it should carry on. Chart 1 illustrates the principle that good management and efficient operations are the *responsibility* of the "line" organization. While not having the final responsibility for these matters, the management engineering organization has a dual "staff" function of assisting line departments in management improvement efforts and of observing their results and reporting on them to Top Management. Charts 2, 3, and 4 highlight the conviction that detailed systems, procedures and even organization work should be carried on at the level of the activity which they affect—i.e. division or plant levels of the corporation—on the basis of the same theory of inter-relationship between line departments and management engineering staff elements as at the corporate level of the enterprise.

Doesn't such a floor and such a ceiling to its activities squeeze a corporate level management engineering department out of its useful existence? Nothing could be further from the truth. Now undistracted by inappropriate activities, the corporate level management engineering department can concentrate on those tasks which, by the "law of natural advantage," it is best situated to perform. Furthermore, successful performance of these tasks will constitute a vital contribution to the corporate well being.

There is a stereotype which pictures the management engineer, systems and procedures man, etc., as totally engaged in project or "survey" effort. That is, as a man who goes out and interviews people, observes their work practices, draws some "flow process" and/or organization charts and finally presents a report. Traditionally, this has been the way in which the job has been done. Indeed it

CHART 1

DIVISION OF LABOR BETWEEN A CORPORATE LEVEL MANAGEMENT STAFF AND CORPORATE LINE AND SERVICE EXECUTIVES

Activities to be Reserved for Corporate Level "Line" or "Service" Executives
(e.g. Manufacturing, Sales or Purchasing)

A. In maintaining contact with operations in special subject field note deficiencies and take appropriate action to bring about adherence to existing policies on organization, systems, reporting, etc.

B. In reviewing reports, action papers, correspondence, and in the course of personal contacts with operating divisions, be alert to symptoms of deficiencies in organization, systems, supervision, control, staffing and other aspects of management.

C. Call such deficiencies to the attention of operating level executives in the case of minor or locally solvable management problems and work with them to develop solutions.

D. Bring management and operational problems requiring action across departmental lines to the attention of Top Management.

Activities Appropriate for Corporate Level Management or Management Engineering Staffs

A. Maintain across-the-board supervision of management improvement activities on behalf of Top Management.

B. Design and install corporate-wide systems and control mechanisms.

C. Develop and recommend corporate-wide management and improvement policies, e.g. sponsorship of an executive development program.

D. Carry on a program of management research and guidance in support of operating level management improvement activities.

E. Conduct such intensive or extensive surveys or audits of management and operations of all levels as may be directed by Top Management.

CHART 2

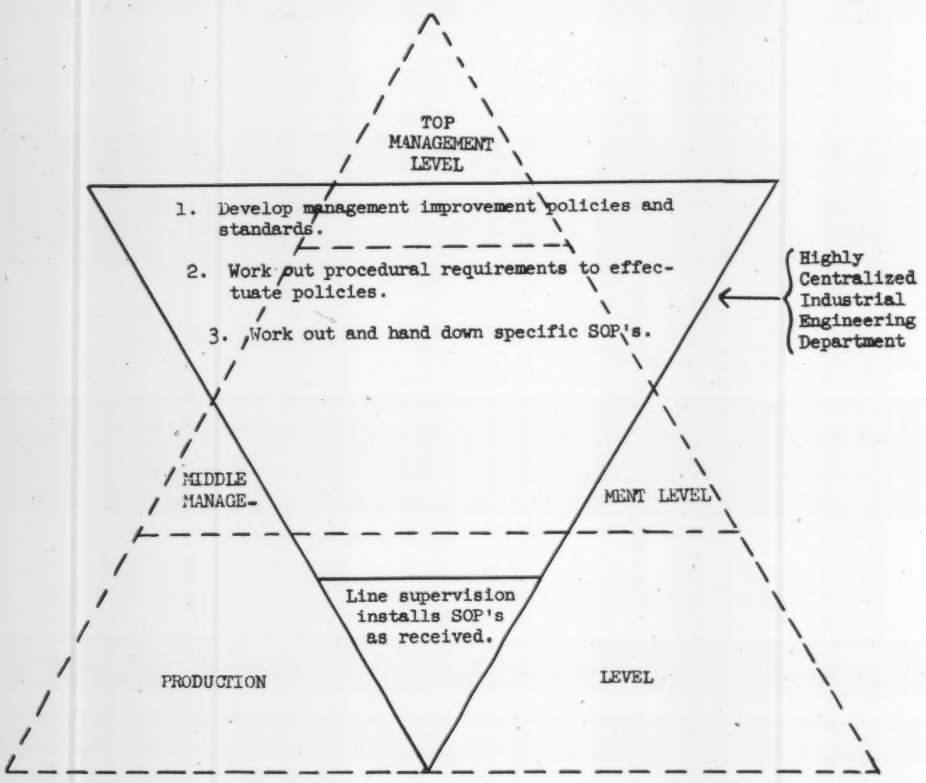
All Organizations Fall Into A Common Pattern Of Action In Doing Their Jobs

TOP MANAGEMENT LEVEL . . .	At the top a few people make policies.
MIDDLE MANAGEMENT LEVEL . . .	Next, a larger group translates those policies into plans and orders.
PRODUCTION LEVEL . . .	The bulk of the personnel of any organization is involved in carrying out those orders to produce a product or render a service.

CHART 3

TOP MANAGEMENT LEVEL . . .	Management Improvement Policies and Standards.
MIDDLE MANAGEMENT LEVEL . . .	Detailed guidance on organization and systems requirements to effectuate top management policies.
PRODUCTION LEVEL . . .	Development and installation of details of systems, procedures, and organizational plans.

CHART 4


TOP MANAGEMENT LEVEL
1. Develop management improvement policies and standards.
2. Work out procedural requirements to effectuate policies.
3. Work out and hand down specific SOP's.
Highly Centralized Industrial Engineering Department
MIDDLE MANAGE-
MENT LEVEL
Line supervision installs SOP's as received.
PRODUCTION
LEVEL

seems probable that the art will always involve some of this sort of activity. However, there is growing recognition that some specialization of functions can profitably take place within this process. Certain groups within a corporation as a whole can specialize in direct field work and other groups can do more good by *supporting* or *assisting* this direct field work than by *engaging* in it themselves. As a rough rule of thumb the proportion of effort appropriately devoted to the two types of activity as various corporate levels might be as follows:

Corporate Level	
Direct Action	**Support Activity**
25%	75%

Other Levels	
Direct Action	**Support* Activity****
75%	25%

**At the Division Level "support activity" is defined as work designed to support direct systems and procedures work at Plant level.*

***At Plant level, "support activity" is defined as help given by the Plant management or Industrial Engineering Staff to assist management improvement efforts — e.g. Work Simplification — of* line *supervision.*

Corporate Level Management Engineering Department "Support" Program

The Corporate level staff has a natural advantage in the conduct of certain "support" activities while it is at a "natural disadvantage" for engaging in detailed systems design and installation work. The objective of the program of a department at this level should be two-fold:

a. To encourage the conduct of management improvement activity throughout all parts of the corporation (based on the principles of line-staff relationship defined above), and to assure that it is designed to make a maximum contribution to the *first priority objectives* of the corporation. (Sadly, it is a fact that management engineering activity in some organizations has sometimes been done on a "foot-in-the-door" basis that has merely served to "polish the brass on a sinking ship".)

b. To enhance the skill and zeal with which this type of work is carried on anywhere in the organization and help to see that it gets results. (No matter how skillful people may be they won't contribute much zealous endeavor unless given positive incentives for doing so.)

Given such a set of objectives for its activities, obviously the acceptance of certain limitations vis-a-vis the line organization and subordinate corporate levels need have no cramping effects whatever on the corporate department. The possibilities for fruitful action are manifold. Rather than attempting a lengthy and comprehensive recital of possibilities (which will differ widely from corporation to corporation anyway) may we offer the following four brief charts as illustrative. For charting purposes we have restated the objectives as: Chart 5—Make Management Engineering Purposeful; Chart 6—Make it Skillful; Chart 7—Make it Rewarding; Chart 8—Make it Fruitful.

CHART 5

WHAT IS "PURPOSEFUL" MANAGEMENT ENGINEERING?	WHAT CAN CORPORATE STAFF DO?
1. Responds to Corporate urgencies.	1. Give guidance on Corporate-wide "themes" —i.e. subjects of areas to be studied at all levels at once like "automation".
2. Brings all types of management engineering effort into focus.	2. Provide one corporate "technical voice" on all types of programs.
3. Applies principle of concentration of forces —all echelons hit same theme.	3. Assist in developing plans and planning machinery.
4. Is planned — long and short range — and scheduled.	4. Carry on a "Technical Assistance" Program.

CHART 6

WHAT IS "SKILLFUL" MANAGEMENT ENGINEERING?	WHAT CAN CORPORATE STAFF DO?
1. Makes use of most advanced methods "state of art" permits.	1. Keep in touch with developments on a "central service" basis; Association contacts.
2. Staff well-drilled in fundamentals.	2. Aid in cross-fertilization.
3. Doesn't try to be all things to all people.	3. Help develop criteria for use of outside consultants.
4. Accepts help and advice.	4. Through surveys carried on in collaboration with lower level staffs and through written media, etc., refine and disseminate technique.
5. Knows sources.	5. "Watching Brief" on training in management subjects.

(*Charts 7 and 8 on page 17*)

The Management Specialist And The Law

by Willard C. Unkenholz

Branch Chief, Production
Planning and Control
National Security Agency
Washington, D. C.

"Let me not to the marriage of true minds admit an impediment"
—Shakespeare

PRACTICALLY every aspect of modern industrial activity has been the subject of consideration by management specialists excepting one — the law. A brief survey of the management writings reveals that the subject of management aspects of the law has been generally ignored by the management profession, and to a lesser degree by the legal profession.

This may be due, perhaps, to the iceberg characteristic of the law in industry. In any given industrial activity visible evidence of legal influence in the form of the legal and contract departments is indeed slight with respect to the overall operation. The vast legal activity which vitally affects the industrial enterprise is not apparent from a survey of the particular organization because it is outside the organization. And yet it permeates and fundamentally affects the management of every aspect of such an enterprise. For this reason it is incumbent upon the management specialist to more thoroughly understand the concepts and functioning of the legal system.

Consider, if you will, the relationship of the management specialist to the law from another facet—the giving side. The management profession has much to give to the legal profession in the way of concepts and techniques for improving the administrative aspects of the law. Furthermore, impediments to the marriage of concepts and techniques of scientific management to the functioning of the legal system appear to be no greater than those overcome in the introduction of improved management concepts in other areas.

It is true that there are procedural aspects of the law which at first glance appear inefficient or redundant, but on closer examination it can be shown that they are necessarily so to provide essential protection to legal rights. There are many more that are not.

An example of how scientific management techniques might very well expedite the legal process, cut costs and at the same time improve the product is in the area of "legal search." In preparing the brief for a case or a legal opinion for a company executive, the lawyer must rely on legal precedent contained in thousands of cases, laws, regulations, interpretations, treatises, etc. These must be searched for the specific precedent bearing on the case—a rather onerous task. The lawyer is guided in his search by a variety of keying systems. It appears to be quite feasible therefore to automate the search for precedent in point through the application of data processing equipment. This would enable the use of much more refined keying systems, more comprehensive coverage, in a shorter time, and enable almost daily additions to the references stored in the equipment. Other examples of areas of consideration might be forms and flow, etc.

The discussion thus far has been directed toward the practical—the possibilities of improving the assistance rendered by the management specialist to management by a greater awareness of legal considerations affecting the enterprise; and the possibilities that exists for management specialists to assist the legal profession. There is, in addition, the opportunity for personal and professional growth of management specialists in the process of developing a closer relationship between the management and legal professions. A better understanding of basic legal philosophy and concepts (which incidentally appears to be equally lacking in the scientific and technological field), would help him to better fulfill his responsibility as a citizen and leader in the community.

The individual can improve his understanding of the law by personal reading and contact in the profession. Probably the best way, however, to accomplish the cross-pollenization for the mutual benefit of both the management and legal professions is through the local chapters of the professional societies—Bar and S.A.M chapters in the same locale. At meetings of the groups, concepts and basic philosophies can be presented and discussed, then problems where management can be of assistance can be generally explored. What is eventually envisioned is the formation of joint local committees of management specialists and lawyers conducting special studies. In this manner management societies can materially assist in improving the administration of justice while at the same time acquiring a working relationship with one of the important elements in the commercial, industrial and social community — the legal profession. ■

(*Continued from page* 16)

CHART 7

WHAT IS "REWARDING" MANAGEMENT ENGINEERING?	WHAT CAN CORPORATE STAFF DO?
1. Brings official recognition.	1. Try to see that good performance is noted.
2. Results in adequate promotion and careers.	2. Take some interest in career management and "frictional" problems of salary, titles, etc.
3. Means being a part of group with "professional" feelings and aspirations.	3. Sponsor associative activity of all sorts, e.g., periodic or special purpose conferences, etc.
4. Has prestige in community.	

CHART 8

WHAT IS "FRUITFUL" MANAGEMENT ENGINEERING?	WHAT CAN CORPORATE STAFF DO?
1. Management engineering that gets results.	1. Help in sale of product.
2. Recommendations that are installed.	2. Technical assistance and advice in developing product.
3. Operating officials who "come back for more".	3. Counsel on human relations aspects.
4. Activity that saves more than it costs.	4. Advice on fruitful areas of study based on its own corporation-wide Management Audits.

A businessman's judgment is no better than his information.

H. P. Lamont

Role Perception In Management Training For Creativity

by John J. Hader

Housing and Home Finance Agency
Atlanta

THE rapidly increasing interest in results of training in creative thinking in both industry and government agencies as being built on a very sound foundation of practical training in the subject. This is particularly true in such firms as the AC Spark Plug Company, International Business Machines and the General Electric Company. The latter organization has had such a program going since 1939. Alex Osborn's "Brainstorm" conference program, which also has received considerable attention of late, began in an advertising business about this time also.

In addition to the industrial applications of creative thinking training techniques in business there is a substantial amount of research on individual creativity and creativity training at the University of Chicago, University of Southern California and elsewhere.[1]

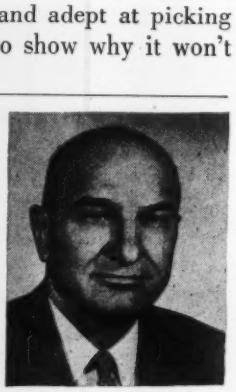
In recent years one very significant change in the trend of this training has been a wider inclusiveness as to the type of position or management functionary who is to be given this training. Whereas in the beginning of such programs as that at GE, training was given only to inventors, designers and engineers, it is now being offered to administrators, supervisors and other management personnel as well. This change is significant for inventors or designers or engineers are expected to be creative, executives or supervisors usually are not.

In "Brainstorming," as is well known, the success of the session depends on the withholding of any negative or critical ideas. These are to be arrived at later and usually by someone other than the "Brainstorm" panel members. However, many an executive or supervisor has built a very substantial success on being a "No" man, a person esteemed for his critical judgment, and adept at picking an idea to pieces to show why it won't work.

We have, then, the prospect that conservative or critically minded executives constitute a serious personal deterrent to the development of new or different ideas for work methods or product improvement in a dynamic type organization. The very organizational positions they occupy are solid administrative roadblocks to the advancement of progressive, new or creative ideas when these new ideas are trying to come up from below. American industry's history is full of illustrations of failure because of a stubborn executive refusal to change or improve with the times.

During World War II, with the introduction of programs for mass training in Work Simplification, one of the greatest obstacles to work improvement techniques was found to be among the foremen and supervisors in their disparagement of new or improved methods. An amusing though quite serious side light of this problem is contained in a recent account of the creativity training program at AC Spark Plug. There was serious difficulty in getting the "bugs" out of a new product. A special group was set up to study the problem. New ideas were solicited to solve the problem and everybody turned in one—excepting the man supervising the entire project! Later, when he was tested, it was found that his creativity was very low. Yet he had managed to have himself put in charge of work calling for

[1] *John M. Schlien, Creativity and Psychological Health, Personnel Series No. 168, American Management Association.*



MR. HADER was Chief of Training for the Bureau of Employment Security of the Social Security Board before joining the Housing and Home Finance Agency. Prior to that he was Chief of Training Division, Office of Secretary of the United States Navy. He is a former Personnel Management Adviser to the U. S. Civil Service Commission and he was a Training Officer for the United States Air Force. Mr. Hader is an Honorary Fellow of the Society for Advancement of Management (1953) and a former president of the S.A.M Washington, D. C. Chapter.

advanced creative ability.[2]

Current management and social science research publications are pointing out that the very nature of the large, formal organization has a repressive, frustrating influence on many employees of these organizations. Argyris of Yale and Whyte in *Fortune* and elsewhere indicate that one of the principal psychological effects of the large industrial or business organization is the creation of a dependent state of mind in most employees and supervisors.[3] Their resistance to change is the result of long disciplining by higher levels of management, which makes the decisions governing not only their work life but also in some areas their activities outside of work hours, particularly in the so-called "company town." Thus we could have the circumstance of a management wishing to *encourage* creativity running into a solid front of resistance from its people who have sunk into a state of apathy and disinterest because they have been given the impression that they are not expected to produce ideas for improvement or change. Too often the foreman or supervisor has already let it be known that if any improvements or changes are going to be made, he will initiate them. Although ability or wish to initiate new action may be a desirable supervisory characteristic it can hardly be expected to be an attribute of most supervisors.

THUS while inventors and engineers understand that their creative ability is what they are being paid for, executives, supervisors and others who make administrative decisions seldom see themselves in the role of creative thinkers. Judicial capacity, we are finding, can be valued too highly, especially in a dynamic society. We are thus faced with the prospect of stress and conflict in an organization which decides to encourage and train for creativity in an environment of apathy. A footnote could, of course, be written on the failure of the promoters and administrators of suggestion systems to recognize and cope with this problem. Rather, as Argyris points out, monetary rewards are based on the degree of dissatisfaction rather than non-material incentives such as creativity or invention.

[2] Nations Business, *January* 1957.

[3] *Chris Argyris*, Research Trends in Executive Behavior, *Advanced Management, March* 1956.

W. H. Whyte, Jr., The Organization Man, *Simon and Schuster*, 1956.

How Can We Get A Change from Apathy to Creativity?

It has been said that "The mechanisms we have built to defend our psychic organization against change are legion".[4] With the factor of resistance to change being such a common one, probably the first point to be made in training for creativity would be the acceptance of most people's built-in resistances. The next step might be an attempt to change the climate of the organization from one which prides itself on conformity as a major virtue to one which creates a kind of leadership that helps people become independent, active and responsible instead of inactive, dependent and irresponsible. Partly this can be accomplished by having top management set good examples. The next step is to train people to be active rather than passive and in doing this one should use active rather than passive methods in the training process. Role playing instead of lecturing, for instance.

Blocks to Creative Thinking

Our review has thus far shown the following common blocks to creativity:

a. The highly structured organization with its complex and tortuous lines of communication and involved "staff-line" relationships.
b. A climate which makes judicial thinking a general virtue rather than a specific process to be used only after inventiveness or creativity have been used.
c. Faulty role expectations of superiors which allow the individual employee or supervisor to fall back into an apathy of indifference to progress, change or growth and finally an acceptance of himself as a non-creative person.[5]
d. Neurotic preoccupation and self concern with one's illness and personality problems which make it impossible for many supervisors and executives to be objectively concerned with creative ideas and the possibility for greater inventiveness or creativity among the individuals in their work group because the supervisors are overconcerned about themselves.

In large organizations it is well known that the concern of most supervisors and executives for symbols of status and rank, such as the kind of a desk or the thickness of the rug, often reach humorous and even abnormal proportions.[6] Thus it is that status minded people are very apprehensive of change, particularly if the change in any way threatens their prerogatives or privileges. They become especially alarmed if the prospective change in any way threatens their own self perception as a person who is able to control initiatory action from below. A subordinate who proposes changes or makes a suggestion for a procedure affecting his supervisors perception of himself, becomes immediately persona-non-grata with the boss, not to mention the subordinates, work associates or peer supervisors who promptly gang up on him or give him the cold shoulder.

The implicit assumption that the goals of the superior executive are inclusive of the goals of the subordinates is of course unwarranted, especially if there is a low level of communication. However, a creatively minded subordinate who perceives himself as an initiator or idea man can very soon find himself in difficulty with a boss who does little or no initiating and who, for that matter does not see the particular subordinate in the role of a creative person at all. For this reason, the initiators of creativity training in a large and highly formalized organization would find it necessary to see that group goals are not only very explicit at top levels of management, but that there is a large measure of sharing in the preparation of the statement of these goals.

It is generally known that there is less and less sharing of group goals (otherwise known as "policies", "mission" or "objectives") as one descends the scalar organization. It also becomes very important that individual role perceptions at lower levels be in harmony with their superiors' role perceptions of themselves and of each subordinate. This is the equivalent of saying that an organization which is extending its program for creative thinking from engineers and scientists to more general managerial functions, must be certain

"The man who does not read good books has no advantage over the man who can't read them."
Mark Twain

[4] *N. Cantor*, The Executive as Leader, *Personnel, American Management Association, November* 1956.

[5] *Joseph Lazar*, Basic Concepts of Human Effectiveness in Business, *Advanced Management, October* 1956.

[6] *M. S. Viteles, What Raises a Man's Morale? — (The R.H.I.P. Chart) Personnel, American Management Association, January* 1954.

that this training is first carried throughout top levels of the organization. Failure to do this may cause widespread dissatisfaction with work performance of subordinates, a conflict of role expectancies, and a general frustration among lower levels of the management organization to whom the training was given.

Creativity and the Possibilities of Release Through Change in Role Expectancy

Any widespread training in creative thinking would, of necessity, be built around certain assumptions and conditions, among them:

1. Each of us has a certain amount of built-in imaginativeness and potential for creativity.
2. This built-in imaginativeness or creativity will vary considerably in degree and kind depending on the test or scale range used (such as a test scale on authoritarianism).
3. There exists in all of us certain negative tendencies and fearsomeness which inhibit or block creativity. (Much of this takes the form of negative self-conditioning "Oh, I could never do *that*!" I wouldn't dream of talking *that* over with my boss!" "I haven't the slightest idea how to improve that. After all, it was designed by experts!" etc.)[7]
4. If negative tendencies or blocks to creativity were put into us by conditioning, then there exists the possibility of their being eliminated by reconditioning of self and creation of a changed self-perception as one who is creative rather than negative.
5. If the above four conditions are acceptable as true then there remains the problem of finding training or reconditioning methods which will bring about the changed self perception and a resultant productive or creative personality.

Some Suggestions for Individual Methods of Changed Role Expectancy

1. Each person in the training program should be shown the importance of the establishment of the wish or will to creative possibilities by positive assertions of the possibility of it in the individual and through "Auto-Conditioning"[8] to learn to assert and repeat the positive assertions until the thought is firmly fixed in the subconscious. (This may sound like a throwback to the Auto-Suggestion methods of Prof. Coué in the 1920's and possibly it is. The basic idea, however, has been much expanded or enlarged since then.)

   In addition to the type of self-suggestion proposed by Professor Hart, another good way is to talk over the idea with someone who will help in getting insight into the problem. However, it is probably wisest to avoid these talks with unsympathetic, hostile or neg-

[7] *M. M. Hunt*, How to Overcome Mental Blocks. *Reader's Digest, January* 1957. (*Condensed from Mayfair, Dec.* 1956)

[8] *Hornel Hart*, Auto-Conditioning. *Prentice-Hall* 1956.

Management Applies To All Areas Of Activity

by Dr. Lillian M. Gilbreth

President, Gilbreth and Associates
New York City

At the first International Congress, held in Prague the summer of 1924, the program was set up by the management groups of Czechoslovakia and the U.S.A. At that time C.I.O.S. had not been organized, but the men who planned the program in both countries belonged to various societies interested in management and made sure all areas of interest were represented.

Copies of proceedings of this first Congress are in the Engineers' Library in New York, the General Electric "Harry Hopf Library" in Crotonville, N. Y. and the "Gilbreth Library" at Pardue University, Lafayette, Indiana. It is evident that all the subjects drew interested groups who not only listened to the papers but participated in the discussions.

Included in the subjects presented were those in the various fields of industry and business, but the management problems of Government were discussed also, and so were those of agriculture and the home.

Education was discussed, explicity or implicity, at most of the sessions and human relations was recognized as furnishing the most challenging problems in every field.

Somehow, through the years, locally, regionally, nationally and internationally, the scope of management seems to have been narrowed. It is true that time for discussion is limited, that interests of members and of organizations must be considered, that programs are crowded with more and more subjects and more and more speakers. But, on the other hand, the value of interdisciplinary thinking has become more widely recognized. We are including more subjects and speakers from closely related fields.

Why not check on the limitations we have put on areas of application principles?

S.A.M is an ideal forum for *inclusive*, rather than *exclusive*, discussion. We can be proud of our members doing professional as well as volunteer work in libraries and hospitals, in Government, on the farm and in the home, with the physically disabled, etc. Much of the work being done can be useful in other countries than our own. In fact, the results *are* being used, as their literature shows.

The more we extend our interest in the application of Management to all areas of activity, the more we should increase and hold our membership. Creative activity can be found in every field. Work in each can help all the others. The result should be stimulating meetings, courses and projects that are a real contribution all over the world. ■

ative personalities. Best of all it is most desirable that the other person be a willing listener. If, however, in addition to being a good listener, the other person is one who can help the ideator see his problem in a new frame of reference, so much the better.

2. Everyone should train himself to write down the creative idea or thought when it occurs. Naturally, the original idea will most probably be in rough form. Inventors and creative people generally say that ideas come at most unexpected and unpredictable times and places. Some writers stress the time immediately before going to sleep or immediately after awakening. Other writers say that inventiveness is associated with some dreams or the semi-conscious, half-awake dream state occasionally experienced. It is important to remember that in ideation it is quite possible to have new and inventive solutions occur to seemingly improbable problems. This is particularly true with the non-expert or amateur. He may be too uninformed to know that, according to expert opinion, his idea won't work. Like the bumble bee which, according to principles of aerodynamics, is supposed to be incapable of flight, his idea still may be able to get off the ground. "Experts" usually think only along conventional lines in which they have been trained. The important thing is to write the idea down as quickly as possible in the shape or form in which the idea or dream occurred.

3. Develop a system of memory recall for use when immediate writing of the idea is not possible. First auto-condition yourself that the idea *will* be recalled at a certain time and place. ("I will remember this when I get home and immediately go to my desk, take paper and pencil and write it down.") That is, establish key words for quick association. If in trying to recall the idea a name or word does not come correctly as remembered, do not reject whatever comes into the mind's foreconscious. Accept it in whatever form it appears and instruct the sub-conscious mind to keep working on the problem. In time and through the association process the idea, name or word will come to consciousness if it once was there.

Role Playing as a Technique for Creativity Training

One of the chief values of role playing as a training tool is its use in discovering and releasing perceptions of the self held by the individual and, conversely, for discovering role perceptions about the self held by others. In a two-level relationship this is invaluable for adjustment of interpersonal feelings and perceptions in an organization. Typical of the subject matter for role playing sessions in this area are:

Problems of role perception: For this, design a role playing situation that clearly reveals the different or conflicting perceptions of the subordinate's expected role as held by the supervisor. It should be built around expected (or non-expected) responsibilities of the subordinate for inventiveness, initiative or creativity. Role play the scene to draw out any conflicts of role perception or role expectancy. (What do I think you *are* doing and what do I *expect* you should do.) Key phrases to provide learning or insightful response might be such as the following: *Supervisor:* "We pay you for doing what management wants done." "As a journeyman you are expected to . . ." *Subordinate:* "My work is extremely routine and I thought I could . . ." "Have you ever thought of how we might do . . . such and such . . . it might be worth trying." "My job description calls for me to use the widest possible initiative, so I thought . . ." The converse type of situation of a supervisor with a creative role perception or of role expectation of a subordinate can also be dramatized.

Methods of Role Playing for Dealing With Problems of Role Perception and Role Expectancy

Supervisors, executives and employees who are to be conditioned toward greater ideation and motivated toward greater creativity or productivity generally will of course realize immediately that they are dealing with one of the most subtle aspects of the human personality. It takes delicate handling, restraint and the utmost sensitivity, insight and empathy to perceive the other person, especially a subordinate, in terms of the subordinate's own perception of the job and its possibilities. To get people to inter-act in a more releasing fashion also involves supervisory guarantees of non-reprisal and resentment against anything that is said or implied in the role playing for greater creativity. Subsequent interviews or conversational clarification of role expectancy and status relationship between superior and subordinate likewise will return a reward of release from strain and an increase of high quality response when feelings are adequately expressed and the growth potential of the relationship is understood.

Training in Group Ideation Techniques: Brainstorming

This discussion on Role Perception in Management Training for Creativity has proceeded on the assumption that an organization attempting the role playing training discussed above will have already adopted a system of group ideation such as "Brainstorming" and will have provided the necessary training for the "Brainstorm" panels. Such training is very necessary and information about it can be obtained from Alex Osborn, President, Creative Education Foundation, 1614 Rand Building, Buffalo, New York. The University of Buffalo, in conjunction with the Creative Education Foundation, offers a three-day Creative Problem Solving Institute in July where training in "Brainstorming" is given.

Training in Role Playing Techniques

The founder of Role Playing is generally regarded as Dr. J. L. Moreno of the Beacon Institute, Beacon, New York. In addition to the use of his ideas by social and educational institutions throughout the country, his ideas and methods are being applied in business, especially through the American Management Association. In schools and universities, leadership in role playing training is being disseminated by the National Training Laboratories, a Division of the National Education Association, 1201 16th Street, NW, Washington, D. C.

In addition to the courses on creativity in the industrial and business firms mentioned earlier in this article, similar courses are given in many colleges and universities throughout the country. The same is true for courses and seminars on Role Playing Techniques. ■

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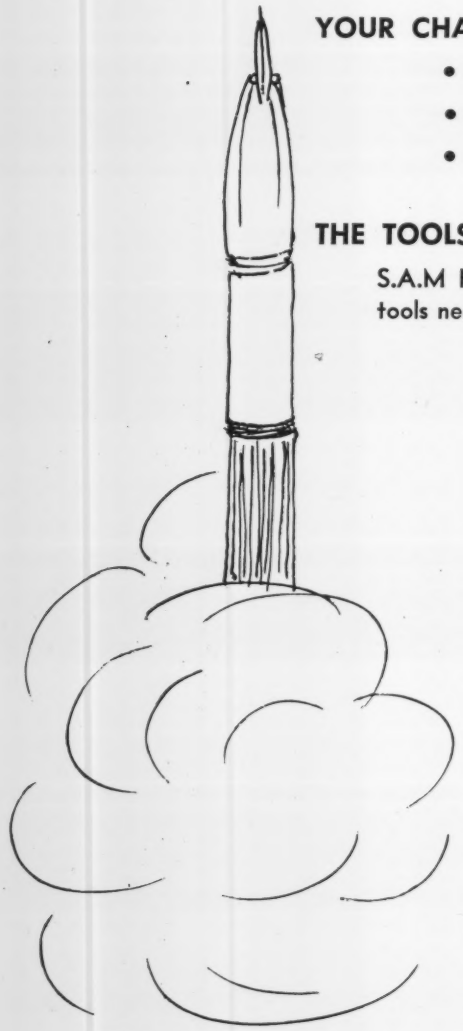

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Planning And Controlling Routine Clerical Costs

by Billy E. Goetz

Professor of Industrial Management
Massachusetts Institute of Technology
Cambridge, Mass.

"A MANAGERIAL PROBLEM consists of a purpose in a situation." Here, our manager's purpose is to plan clerical costs more adequately and to compel performance to conform to plan more precisely. E.g., how many clerks should be employed to maintain given routines? What clerical order costs should be included in batch costs in computing economic lot sizes? How can we measure the work load imposed upon a clerical group? The situation here under analysis consists of a clerical department processing several varieties of documents, the numbers of which fluctuate from day to day, from peak season to trough, and from year to year.

To illustrate and to sharpen the discussion, we will assume a group of clerks posting a perpetual inventory record. Three activities are involved: (1) posting receiving tickets, (2) posting issuing requisitions, and (3) notifying the purchasing department or the production scheduling department when the balance on hand of an item has fallen to its reorder level. A number of small customers' orders or small production orders may cause the number of requisitions posted to increase even though gross sales volume may be declining; i.e., the typical variable budget approach[2] may lead to gross errors. (Similarly, the work load imposed upon the personnel department depends upon such factors as (1) number of employees, (2) number of hires, (3) number of severances, (4) number of promotions, and (5) number of grievances, and has little direct dependence upon sales volume. E.g., if normal turnover is 10 per cent per year, and a 15 per cent increase in sales volume requires a 10 per cent increase in personnel, such tasks as recruitment, interviewing, testing, inducting, and training will increase by approximately 100 per cent and not by 15 per cent.)

Management wants to plan and control these activities. It wants to know how much overtime is needed, whether one or two more clerks are needed to meet the extra load imposed by a growing sales volume, how many clerks will be needed after a change from a few large defense orders to many small orders from private enterprise, what payroll outlays for inventory record clerks to include in over-all cash budgets, what clerical burden to include in cost estimates (e.g., in economic lot formulas). It wants to know whether the group leader is doing a good job and deserves a raise and is a strong candidate for promotion, or is ineffective and needs additional training, stronger motivation, or replacement.

Clerical work now tends to be planned and evaluated intuitively. The manager of the inventory control (personnel, cost, purchasing, or whatever) department alleges he needs two more clerks, that the present lot are working hard but are hopelessly overloaded; and that a backlog of unposted receiving tickets and materials requisitions is growing larger and larger, threatening shutdowns due

This article is a sequel to "Mathematical Models of Management Significance," Advanced Management, February, 1957.

[1] *See Williams,* The Flexible Budget, *McGraw Hill,* 1934, *and Gardner,* Variable Budget Control, *McGraw Hill,* 1940.

After faculty appointments at the University of Chicago's School of Business, the University of Buffalo, Illinois Institute of Technology and the American University in Washington, D.C., Professor Goetz joined the teaching staff of Antioch in 1945 in Business Administration. He remained there until he went to Massachusetts Institute of Technology's School of Industrial Management. Professor Goetz has also been associated with the James O. McKinsey Company in Chicago (1933-35), and with the Sessions Engineering Company (1935-54). He is a Past President of the Chicago and Dayton Chapters of the Society for Advancement of Management, and a Director of the Boston Chapter. He is the author of "*Management Planning and Control*".

to stockouts because purchase and production requisitions are not posted promptly as stocks fall toward reorder levels. The manager seems bright, alert, competent, and sincere, and so he gets his two extra clerks. Or management refers to its flexible budget, finds sales volume hasn't changed, and, ipso facto, clerical costs shouldn't change. Then the poor inventory control manager points out that the introduction of economic lot size formulas has resulted in a much larger number of smaller orders, increasing his work load in spite of a static sales volume. Obviously, there is a real need for a better measure of the work loads of clerical departments, and for a translation of this work load into clerk-hour requirements.

Work Sampling

We can begin to gather data by work sampling.[3] The investigator makes tours of observation at random intervals. He records what each clerk in the group happens to be doing at these times. From these data, (1) a list of activities can be drawn up, and (2) unit times for each activity can be calculated. E.g., if the investigator makes 200 observation tours and there are ten clerks in the group, there are 2,000 observations in the data. If 40 per cent of these observations are of clerks posting requisitions and if all the clerks are working a 40-hour week, 160 hours per week have been spent on this task. If 1,600 requisitions per week are posted, the average unit time of posting a requisition is 6 minutes. The hours per week worked are of course obtained from the in-and-out clock cards of the clerks. The count of requisitions posted may be obtained by a weigh count, by stacking and measuring, or by subtracting first from last numbers of prenumbered forms. In any event, it is desirable to check unit times found in this way by stop-watch and/or synthetic time studies.

Work sampling has the advantage of pushing management into direct observation of operations. Too many managers become desk-bound and try to manage by remote control. By work sampling, the manager not only obtains values for his constants, but finds out something about why they have these values. It has the disadvantages that some of the random times for observation may be inconvenient, e.g., conflict with important managerial conferences; and what occurs when a manager is looking may be rather different from what goes on when the cat is away.

A Mathematical Model

Provisionally, we assume that work sampling identified the three operations named: (1) posting receiving tickets, (2) posting issuing requisitions, and (3) notifying purchasing or production planning of balances that fall to reorder levels, and that they were the only operations observed. We further assume that it takes about as long to post one receiving ticket as another, or at least that deviations will balance out and the time per receiving ticket averaged over all the tickets for a day will be constant; and that daily time to post issuing requisitions will average out at another constant per requisition; and time required to prepare a notice of a balance falling below the reorder level will average out at a third constant. If our assumptions are valid, we can state the departmental work load as an equation; i.e., as a mathematical model:

$$W_s = a \times T + b \times M + c \times R$$

where: a = average time per receiving ticket
T = number of receiving tickets
b = average time per issuing requisition
M = number of issuing requisitions
c = average time per reorder level notice
R = number of reorder level notices
W_s = work load in standard clerical minutes
W_a = actual clerical minutes on the job.

In English, our equation reads: standard allowed time equals average time per receiving ticket times number of receiving tickets, plus average minutes per requisition times number of requisitions, plus average minutes per reorder notice times number of notices of stock falling to reorder levels. Before we can use this model, we must evaluate the constants a, b, and c, and test our model for its accuracy in prediction.

Evaluating Constants

We can estimate or guess how long each operation should take, and with experience we may improve our guesses until they are usable. We may be able to make adequate stop-watch time studies or synthetic time studies (e.g., via MTM). This seems feasible in our inventory record department, but less feasible in the purchasing or personnel departments. We may employ the work-sampling approach sketched above. Or we may measure totals and unravel the component elements by multiple regression.

For a number of days (preferably during a period in which a substantial backlog is carried forward from day to day) we measure W_a via the in-and-out cards, and we count T, M, and R by subtracting first from last if prenumbered forms are used and if they are processed in sequence, by weighing, by stacking and measuring, or by actual counting. Our object is to determine values for a, b, and c which will minimize the difference (for statistical reasons, the squares of the differences) between observed values of W_a and values of W_s calculated from observed values of T, M, and R. E.g., minimize $\Sigma(W_a - W_s)^2$

$$\Sigma(W_a - W_s)^2 = \Sigma[W_a - (aT + bM + cR)]^2 = \Sigma(W_a - aT - bM - cR)^2 = \Sigma W_a^2 + a^2\Sigma T^2 + b^2\Sigma M^2 + c^2\Sigma R^2 - 2a\Sigma TW_a - 2b\Sigma MW_a - 2c\Sigma RW_a + 2ab\Sigma TM + 2ac\Sigma TR + 2bc\Sigma MR$$

Now we take partial derivatives with respect to a, b, and c; set equal to zero; and solve the three resulting simultaneous linear questions for a, b, and c. (You can do this, take my word for the process and use its results, or have your engineers check it.)

$$\frac{\delta\Sigma(W_a - W_s)^2}{\delta a} = 2a\Sigma T^2 - 2\Sigma TW_a + 2b\Sigma TM + 2c\Sigma TR = 0$$

$$\frac{\delta\Sigma(W_a - W_s)^2}{\delta b} = 2b\Sigma M^2 - 2\Sigma MW_a + 2a\Sigma TM + 2c\Sigma MR = 0$$

$$\frac{\delta\Sigma(W_a - W_s)^2}{\delta c} = 2c\Sigma R^2 - 2\Sigma RW_a + 2a\Sigma TR + 2b\Sigma MR = 0$$

Now, the sums of the observed T's, W_a's, M's and R's and the sums of their squares and cross-products can be inserted and three simple simultaneous equations solved for a, b, and c. These values should of course be checked by

[3] *See Heiland and Richardson*: Work Sampling, *McGraw-Hill*, 1957. *Ralph Barnes*: Work Sampling, *Brown*, 1956.

stop-watch, by synthetic time study, and/or by work sampling.

One caution, it will be necessary to run as different mixes of the three activities as possible on different days in order to separate the constants through the influence of each on the total load. With a backlog, as assumed, this requirement should not be too difficult. In effect, we are fitting formulas to a scatter of points, and to do this effectively, the scatter should be well strung out and not gathered into a single close clump.[4]

Testing the Model

Before using, the model should be tested. It now has the form: $W_s = aT + bM + cR$, with a, b, and c known. For some days we gather data on T, M, and R, and calculate W_s. We also get corresponding data for W_a. We subtract corresponding W_s's from W_a's, square, add, divide by the number of days of observation, and take the square root. This yields the standard deviation (σ):

$$\sigma = \sqrt{\frac{\Sigma(W_a - W_s)^2}{N}}$$

If σ is small compared to W_s, and if $W_a - W_s$ yields a normal frequency distribution, our formula has been shown to be a good predictor.

Perhaps our formula proves defective as a predictor. σ is too large. Or, if we prepare control charts as in the following section, many points falling outside our control limits show a system not in statistical control. This calls for investigation. We may have omitted factors from our analysis of work load; e.g., the stock room clerk makes a physical count of C items per day, and the inventory clerks check these counts against their balances which calls for another term dxC, or we forgot inventory clerks were people with personal needs requiring a term exP, or there are fixed elements in the work load which we should indicate by a term f.

Again, clerks and supervisors may come and go so rapidly, or the whole system be changed so often, that we never achieve a state of statistical control. This calls for standardization, for consistent supervision, for effort toward making similar operations take similar times until statistical control is achieved.

[3] *For least squares regression analysis, see Wallis and Roberts,* Statistics, *Free Press,* 1956, *pages* 524-543; *Croxton and Cowden,* Applied General Statistics, *Prentice-Hall,* 1939, *see index, "normal equations," "multiple correlation."*

Horse Sense

FREQUENTLY we hear it said that a person "works like a horse" or "doesn't use his horse sense." An interesting lesson can perhaps be drawn from a comparison of the way a horse reacts and the way a man reacts.

Recently, while rummaging in a storage room in a small country town, I came across a small book printed in 1894—the "Biggle Horse Book". Glancing through it, I found a set of rules advanced for the care and management of a horse. I was struck by the fact that, though men understood in 1894 that these rules applied to horses and produced satisfactory behavior, today many of us have failed to advance as far as this in our handling of men. Here is a list of these rules, just as they appeared in the "Biggle Horse Book". As you read them, consider whether the word "man" might not be substituted for the word "horse," and the word "supervisor" or "foreman" for the phrase "stable man."

Always speak to a horse as you would to a gentleman.

Be gentle, be kind, be patient.

A horse can travel faster, safer and better with his head hanging down or free than it can when it is checked up.

By all means, let your horse have its head.

Proper food and lots of sentiment will make, with good blood, a good horse.

If you must put a frosty bit in a mouth, let it be your own.

Suffering begets sympathy.

If your animals throw up their heads, and act timidly, look after your stable man.

Such acts speak louder than words.

A clean stable is like a clean heart. It means better things.

Cast iron rules will not do in horse management any more than in the family.

If you caress your horse, it will make it feel as happy as a woman experiencing the same sensation.

You do not gain the confidence of your horse by whipping him.

The whip is the parent of stubborness. It is sure to be found somewhere in the pedigree of every balky horse. In training a young horse, use an intelligent brain instead of a cruel whip.

You cannot whip terror out of a horse or pound courage into one.

Kindness and reasonable persuasion are the best weapons to use in training and educating a horse. If he shies or frightens, soothe and encourage him, rather than beat and abuse him.

Cultivate a cheery way of speaking to your horse.

Some horses that are cross and lazy, because growled at and punched in the ribs until sour and discouraged, will prick forward their ears and follow in a hearty and glad manner that is surprising when they are kindly and encouragingly urged.

Man is really a miraculous creature, with all his moods and differences. When he seems most difficult, most complex, keep cool in your reasoning and approach the problem in a practical and factual manner. Put his behavior and your analysis to the test of Good Horse Sense. ■

N. Richard Diller

Associate Professor of Psychology
Pennsylvania State University

In any event, we experiment with our formula, and investigate our operating conditions until we come up with a model which predicts reasonably well. Until we have an acceptable model, both managerial planning and managerial control will limp.

Managerial Control

The control of quantity of clerical hours is similar to the statistical control of quality in the shop. W_s plays the role of x in a statistical control chart — it shows expected performance, it is the reference line in the center of the chart. We expect output in standard minutes (W_s) to equal input in actual minutes (W_a). Control lines are drawn at $\pm 2\sigma$ and/or $\pm 3\sigma$ above and below the W_s line. If W_a fluctuates considerably from day to day (absenteeism), $W_a - W_s$ can be converted into σ units and then plotted.[5]

Points falling outside of control limits are investigated. Were novel elements introduced into the work load, e.g., special reports? Is a green clerk being broken in? Was somebody "working" who should have been home in bed? Was there a party or other interruption of normal routine?

If there is a persistent shift, we look for new factors such as a change in procedures, forms, or equipment which add new elements to the work load. Or we can evaluate our constants all over again. If a and b come out as before but c is different, we know that we do not have to investigate procedures concerning receiving tickets or issuing requisitions, that our trouble must lie in some change in the way we are handling notices of balances falling below reorder levels.

Managerial Planning

Once we have an equation that predicts tolerably well, we can use it to plan the activities of the department. Has a backlog accumulated? We can translate it into standard clerical hours and plan to eliminate it by overtime or by adding people—and we know how much over-

[4] *For statistical control methods, see Bowman and Fetter,* Analysis for Production Management, *Chapter* 6, *Irwin,* 1957; *E. L. Grant,* Statistical Quality Control, *McGraw-Hill,* 1952. *See also* "3 & ?", Advanced Management, *March* 1958.

"The higher one goes in administrative activity the truer it is that one has to be a specialist in the ability to generalize effectively."

Ordway Tead
The Art of Administration

time or how many people to allow. If work loads drop, we know when and how far to cut back on clerical costs. If a new manager takes over the department, we have proven targets for him to shoot at. If efficiency improves, we will know it, can investigate and standardize, and recompute our constants to establish new goals for the department.

Our clerical formulas will also help us in making broader corporate plans or in planning certain activities of other departments. If we are contemplating adding new product lines or invading new markets, we will want to set up alternative budgets, and our formulas covering our clerical departments will enable us to reach better estimates as to what is likely to happen to clerical costs. If we plan to use economic lot size formulas, our formulas for clerical costs will give us appropriate incremental costs of order processing, which may be as important as set-up costs in computing costs which vary with number of batches.[6]

Conclusion

All this depends upon developing formulas that predict reasonably well. This will not be easy. Fortunately, these formulas run in terms of hours and minutes, which are relatively easily measured and do not involve the trickiness of cost allocations, of separating variable from fixed costs, or of seeking incremental opportunity values. Nevertheless, there are likely to be so many variables, including many intangibles such as psychological responses to whatever may be done, that getting clerical situations into statistical control—making the system of chance causes stable—is not likely to be as easy as with product dimensions for example. Important elements of work load are easily overlooked. Random causes — headaches, hangovers, world series—are likely to throw enough points outside control limits to hazard the entire procedure. ■

[5] *See Goetz,* Management Planning and Control, *McGraw-Hill,* 1949, pp. 207-10.

"It is better to light a lamp than to curse the darkness."

S.A.M University Chapters Receive Hamilton Watch Membership Award

THE WORLD'S first electric watch was awarded to seven S.A.M University Chapters by the Hamilton Watch Company of Lancaster, Pennsylvania, "in recognition of achievement in advancing the art and science of management and of contribution to the growth of the S.A.M through the Chapter's significant increase in membership."

A dynamic chapter, with a broad program of activities and expanding services to its members, experiences a significant growth in membership. The Society is desirous of recognizing this accomplishment through presenting appropriate citations along with the Hamilton Watch.

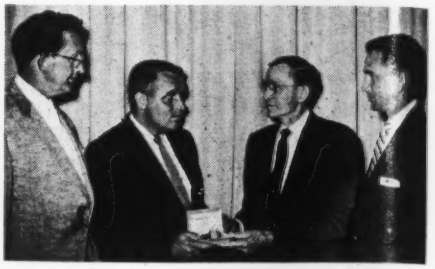
The Hamilton Watch was presented to (1) the first two chapters in total membership as of April 1; (2) the first two chapters with the largest absolute increases in membership April 1 to April 1; and (3) the chapters with the largest percentage increases in membership April 1 to April 1. Each chapter, in turn, awarded the watch to the member of the chapter who during the year made the greatest contribution to the chapter's membership record.

Mississippi State University finished first in memberhip for the academic year with 284 members in the student chapter while *Indiana University* finished a very close second with 283 members.

The *University of Kansas* and *Northeastern University* Chapters attained the largest absolute increase in membership.

Pennsylvania Military College, Roosevelt University, and *North Texas State College Chapters* were awarded watches for the greatest percentage increases in membership during the academic year.

Congratulations to each chapter for its outstanding record of achievement! ■

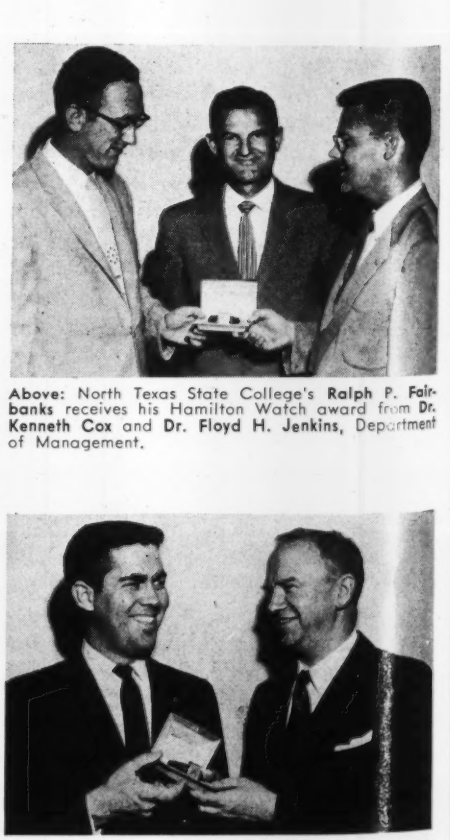


Above: Mississippi State University **President Ben Hilbun** presents Hamilton Watch to recipient **Frank Laakso.** On the **Left** is Dr. John W. Darr, Faculty Advisor, and on the Right, **Captain A. A. Vance, Jr.,** Public Relations.

Above: Indiana University's Hamilton Watch Award presentation. **Left to Right: William Elder, Dr. Fremont N. Shull, Jr.,** Department of Management, and recipient **Larry Williams.**

Above: North Texas State College's **Ralph P. Fairbanks** receives his Hamilton Watch award from **Dr. Kenneth Cox** and **Dr. Floyd H. Jenkins,** Department of Management.

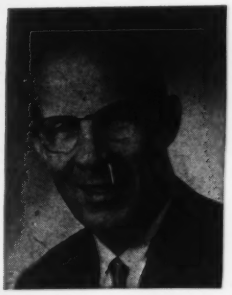
Above: University of Kansas Hamilton Watch Award presentation. **Left to Right:** Standing, **Professor Max Fessler, John D. Wheeler,** and **Professor H. K. L'Ecuyer.** Seated, **Dean James R. Surface** of the School of Business and recipient **Alvin D. Trowbridge.**



Above: Roosevelt University recipient **Frederick Dobbs** receives his Hamilton Watch from **Professor E. C. Flora,** Faculty Advisor.

S. A. M *Newsletter*

Current news of interest to all S.A.M Members, specifically for the 900 Chapter and National Officers of the Society.



HAROLD R. BIXLER
Executive Vice President

THE BUSINESS COMMUNITY AND NOVEMBER ELECTIONS — In the first of a series of four letters to be sent to all members of the National Chamber of Commerce, President **William McDonnell** urges the nation's businessmen to actively support the political candidates of their choice. He stresses four steps toward that goal: **First,** organize with your own business to turn out the vote; **Second,** provide opportunities for all employees and business colleagues to learn all they can about candidates; **Third,** contribute to the party of your choice; **Fourth,** encourage the donation of personal time as well as money to help the party and candidate of your choice.

Representing one of the major sources toward which industry and the professions look for leadership, membership organizations can play a vital role in stimulating interest in candidates and issues. Mr. **McDonnell's** letter said in conclusion: "The AFL-CIO Committee on Political Education says 'Political Action and Political Education are a year-round job.' I think they are right, don't you?"

REMINGTON RAND — S.A.M ACHIEVEMENT AWARDS — Remington Rand Division of Sperry Rand Corporation has again granted $1,500 for Achievement Awards to the ten top S.A.M University Chapters competing in their Performance Awards Plan. The Awards will be presented at a special S.A.M Awards Banquet to be held on Thursday evening, October 30, in conjunction with the Annual Fall Conference in New York City on "Progress In Management". The ten highest ranking University Chapters out of over 130 competing in the Performance Awards Plan are American University, Babson Institute, Boston College, Indiana University, LaSalle College, Ohio University, University of Pittsburgh, Rider College, University of Kansas and Mississippi State College. Mr. Marcel N. Rand, **executive Vice President of Remington Rand, states: "S.A.M has done more than any other similar organization to build a constructive philosophy for modern business and industry. Remington Rand, like so many other enterprises, has benefited from these activities because they have done—and are doing—so much to promote better administrative practices in business as well as in government. The University Chapters, which S.A.M has fostered and promoted in recent years, have achieved a stature of their own which has been a credit to themselves and to your Society. Our company, in a sense, is part of S.A.M. We work with S.A.M, we believe in S.A.M, its objectives and its practices."**

CONFERENCE TIPS — CHICAGO CHAPTER developed unique General Management Seminar, including eight seminar type meetings, to discuss primarily, two areas of management —coordination and decision-making. Their primary purpose was to develop core material and a pattern for seminars for small groups of "Management Students" with a common interest in exploring various phases of management. It was designed to meet the expressed need for an intensified approach for those whose interests dictate an accelerated treatment of the subject matter. Write, **Martin McDonough,** 53 W. Jackson Blvd., Chicago, Illinois for details. . . . Chapters interested in developing conferences and seminars in the field of international management will find ready help from the Council For International Progress In Management, of which S.A.M is a sponsoring member. NEW YORK CITY CHAPTER included such a meeting in its program with a panel of CIPM officers representing leading companies concerned with U.S. Foreign Relations and Business Leadership. Write, **Col. Philip Garey,** Vice President in Charge of Operations, Council for International Progress in Management, 350 Madison Avenue, New York City 17. . . . S.A.M Marketing Vice President, **Al Seares,** reminds members about the value of the 13th Annual Boston Conference on Distribution, to be held at the Hotel Statler, Boston, October 20-21. This is an international forum for problems of distribution. S.A.M is a co-sponsor. **President Eisenhower** refers to the Conference as "The annual Boston forum, long recognized as a generator of valuable ideas on the problems of distribution". Program and registration available from **Daniel Bloomfield,** Director, 80 Federal Street, Boston 10, Mass.

S.A.M NOMINATIONS FOR JAYCEE "TEN OUTSTANDING YOUNG MEN"—Considerations are now being made for selection of the 1958 Ten Outstanding Young Men in the Annual Award by the U.S. Junior Chamber of Commerce. S.A.M members are cordially invited to submit nominations of any individuals under 36 years of age. Nomination blank can be obtained from J. Kyle Goddard, **Internal Affairs Department, Junior Chamber of Commerce, Tulsa, Oklahoma. Nominee must be a citizen of the U.S. Purpose of the Award is to focus public attention on the accomplishments of the nation's young men, and to illustrate the opportunities for young men in a free society and through our free enterprise system.**

NEW S.A.M DIRECTORY OF ECONOMICS SEMINARS — 1st Vice President Dause L. Bibby, **Chairman of the S.A.M National Economics Committee, has announced the availability of a new S.A.M Directory of Economics Seminars for our Chapters. He states: "As businessmen who are intent on the day-to-day job of trying to run a profitable enterprise, we are prone to overlook the economic facts of life that create the climate in which our businesses must operate. We tend to look upon the "boom or bust" cycle, for example, as a necessary evil about which we can do little, if anything. And we are apt to say: 'Anyway, isn't economics something we hire economists to worry about?' "**

As an aid to S.A.M Chapters interested in developing a sound educational program in management economics, the Society has prepared a list of one-day Seminars. These are conducted by training specialists who have been carefully selected for their ability to present the subject in a way that will capture the interest of our members. Further details from Patrick J. Reddington, **S.A.M Educational and Conference Director, 74 Fifth Avenue, New York City 11.**

NATIONAL OFFICE MAILINGS — All 900 Chapter National Officers are reminded to check their particular interests in the following combined mailings sent Chapter Presidents and National Directors since the last listings, and to broadcast the particular information they contain in line with their specific purposes: S.A.M Blue Book—Directory of Chapter Officers. . . . Economics Seminars Directory. . . . Publicity Survey—Local Media. . . . Membership Count By Grades and Chapters. . . . Chapter Standings In Performance Awards Plan. . . . Regional Meeting Developments. . . . New Membership Invitation Pamphlet.

SELECTED PUBLICATIONS REFERENCES — Mary Cushing Niles, **leading member of the WASHINGTON CHAPTER has just released a new edition of her excellent book THE ESSENCE OF MANAGEMENT. This brings together much of the thought and writing in the United States on organization theory and human relations from books, journals and management conferences. Published by Harper & Brothers, New York. . . .** Al Seares' **summary report of his recent NINE WEEK TRIP THROUGH SOUTH AMERICA, on behalf of the International Cooperation Administration, tells a significant story about the varying opinions of different business groups and educators and the many contrasting economic and business conditions. Write him as President, National Sales Executives, 136 East 57th Street, New York City 22. . . . EXCELLENT ECONOMIC INFORMATION is offered in the monthly Newsletter of the First National City Bank on Business and Economic Conditions. To be included in their mailing list write them at 55 Wall Street, New York City.**

S.A.M WORKSHOP ON CREATIVITY — The second in the series of monthly, full-day Workshops conducted in New York City by the S.A.M National Office will be held on October 15th at the Hotel New Yorker. It will be personally conducted by Dr. **G. Herbert True,** Vice President of the Institute of Visual Research, one of the most dynamic and popular speakers in the U. S. and elsewhere. The Workshop is designed to "double one's productive ideas, release fresh viewpoints, and bring understanding of creative behavior of yourself and others" among other things. Many members will recall the hit Dr. True made at the S.A.M Annual Spring Conference this year. Copy of the program of the Creativity Workshop and registration details are available upon request made to the S.A.M National Conference Director, 74 Fifth Avenue, New York City 11. Enrollments must be made quickly for participation.

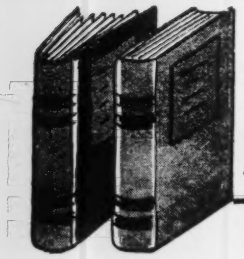
CHAPTER PERFORMANCE AWARDS PLAN WINNERS ANNOUNCED — Heartiest congratulations from all to the top ten Chapters who are the winners in the Chapter Performance Awards competition for the period July, 1957 through June, 1958: PROVIDENCE, HUDSON VALLEY, KNOXVILLE, GREENVILLE, GREENSBORO, READING, NORTHEASTERN PENNSYLVANIA. BINGHAMTON, MILWAUKEE, and CLEARING, in that order. For the second successive year PROVIDENCE becomes winner of the Harrington Emerson Trophy presented annually to the Chapter which has most distinguished itself by the year's record of activities and contributions for the advancement of management. HUDSON VALLEY is the winner of the Ordway Tead Bell and Gavel and Citation for the second best chapter performance for the award year. Chapter Performance Award Banners, Hamilton Citations, and other awards will be presented to the winners as a highlight of the S.A.M Annual Fall Conference on "Progress In Management For Profit and Growth" during the Banquet on Thursday, October 30, Hotel Statler in New York City. ■

TYPICAL S.A.M CHAPTER ACTIVITIES
OCTOBER & NOVEMBER 1958

CHAPTER	SUBJECT	SPEAKER	PLACE	DATE
Alabama	"Outlook for Alabama Business"	**Frank Plummer,** President, Birmingham Trust National Bank, Birmingham, Alabama	Gula's Restaurant	Oct. 14
	Joint Meeting With Student Chapter		Alabama Polytechnic Institution, Auburn, Ala.	Nov. 10
Boston	"Maximizing Profits Through Integrated Management Controls"	**George Chane,** Vice President, Management Engineering, Radio Corporation of America	M.I.T. Faculty Club	Oct. 2
	Tentative	**Francis F. Bradshaw,** President, Richardson, Bellows, Henry & Co.	M.I.T. Faculty Club	Nov. 6
Bridgeport	Work Simplification Course Five Sessions			Oct. 6
	"The Changing Picture in Labor-Management Relations"	**Thomas A. Dodd**		Oct. 7
	Plant Visitation		Bridgeport Brass Co.	Oct. 21
	"The Company's Money and How to Use It"	**John E. Ellsworth,** Ensign-Bickford Co.		Nov. 10
Central Pa.	Ladies Night "Weather Forecasting"	**Dr. Charles Hosler,** Meteorologist, Penna. State University		Oct. 16
	Joint Meeting with Industrial Management Club, Lewistown, Penna.	**James Low,** National Ass'n. of Manufacturers		Nov. 20
	"Perscription for Good Leadership"			
Clearing	"Unionization of White Collar Workers"	**E. D. Knaak,** International Harvester Co.	Clearing Club 6455 So. Central Ave. Chicago, Ill.	Oct. 15
	"The Business Outlook"	**Dr. John K. Langum,** Business Economics, Inc.	Chicago, Ill.	Nov. 19
Cleveland	"Forecasting & Interpreting Business Trends"	**James Dawson,** Vice Pres. & Econ., National City Bank, Cleveland		Oct. 13
	"Reliability—New Meat for Management"	**Thomas Hollowell,** President, Standard Pressed Steel Co., Philadelphia, Pa.		Nov. 10
Detroit	"Data Processing"	**John L. Morley,** John L. Morley Co.	Engineering Society	Oct. 21
	Organization Planning—Centralization vs. Decentralization	**Stanley M. Humphrey,** Booz Allen & Hamilton	Fort Shelby Hotel	Nov. 18
Fox Valley	All Day Conference on Work Simplification	**S. J. Fecht,** S. J. Fecht & Assoc., Chicago	Appleton Elks	Oct. 10
	"Cost Reduction Through Production Planning"	**James E. Newsome,** Production Manager, Johnson & Johnson, Chicago	Racine, Wisc.	Nov. 13
Greensboro Area	"Incentive"	**J. L. Schwab,** President, John L. Schwab Associates	Starmount Country Club	Oct. 14
	"Taking a Fresh Look at Managers"	**J. B. Joynt,** Vice President, Management Planning, N. Y. Central Railroad	Starmount Country Club	Nov. 11
Greenville	Special Awards Dinner honoring Robert Stevens & Roger Milliken		Elks Club	Oct. 8
	"Management's Reputation And Responsibility in the Community"	**William H. Baumer,** Special Assistant to the President, Johnson & Johnson, New Brunswick, N. J.	Elks Club	Nov. 17
Knoxville	"Importance of Good Public Relations in Industry"	**Hugh T. McDade,** Public Relations Manager, Tennessee Operations Aluminum Co. of America, Alcoa, Tenn.	Deane Hill Country Club	Oct. 14
	"Budgeting & Finance"	**A. R. Jones,** Director, Tennessee Valley Authority, Knoxville	Deane Hill Country Club	Nov. 11
Lancaster	"From Atoms to Pinspotters"	**Rodney C. Gott,** Executive Vice Pres., American Machine & Foundry Co., N. Y. C.		Oct. 21
	"How to Plan For Integrated Cost Reduction"	**Lester R. Bittel,** Manager, Editorial Programs, Factory Magazine, McGraw-Hill Publishing Co., N. Y. C.		Nov. 18
Lehigh Valley	"Incentive Management"	**James Lincoln,** Lincoln Electric	Walp's Restaurant, Allentown, Pa.	Oct. 7
	"Work Simplification"	**Raymon J. Ruel,** Coordinator of Industrial Eng.—Food Machinery & Chemical Co.	Allentown, Pa.	Nov. 4
London & District	"How Purchasing Affects You" Panel Discussion	**H. J. Victor** Walker—Chairman of Panel General Steel Wares, Ltd.	Hook's Restaurant	Oct. 16
	"How the Big and Little Fight Costs" Group Discussion	Chairmen—**T. Gagen,** London P.U.C. and **David S. J. Thomas,** Wakefield Lighting, Ltd.	Hook's Restaurant	Nov. 20
	Ladies Night-Dinner & Dance		Hook's Restaurant	Nov. 28

TYPICAL S.A.M CHAPTER ACTIVITIES
OCTOBER & NOVEMBER 1958

CHAPTER	SUBJECT	SPEAKER	PLACE	DATE
Long Island	Seminar—Building Budgets—Finding Profit Leaks—How to Sell Your Ideas Using Standards for Cost Control	**Phil Carroll**		Oct. 2
	"Labor Relations"			Oct. 22
	Seminar—Research & Development Project Management	**Walter Amesbury**		Nov. 14
Los Angeles	"Measuring Management Effectiveness"	**John B. Joynt**	Roger Young Auditorium	Oct. 16
	"Management & Psychology"	**Dr. Stainbrook**	Roger Young Auditorium	Nov. 20
Madison	"Sales Management"	**J. A. McIllnay,** Vice President, Ray-O-Vac Co.	Cuba Club	Oct. 1
	Personal Management Planning Problem Solving Clinic		Cuba Club	Nov. 5
Milwaukee	Annual Fall Conference		Cudworth Post-American Legion	Oct. 14
	"Use of Motion Pictures as an Industrial Engineering Tool"	**Marvin E. Mundel,** M. E. Mundel & Associates	Engineers' Soc. of Milw.	Nov. 13
Montreal	"Brainstorming—Fad or Fact"	**L. I. Chitty**	Ritz-Carlton Hotel	Oct. 8
	"Management Night"	**Leo B. Moore,** M.I.T.	Ritz-Carlton Hotel	Nov. 12
Nashville	"Resistance to Violent Union Tactics"	**L. L. Smith, Exec.** Vice Pres. Kohler Co., Kohler, Wisc.	Hermitage Hotel	Oct. 9
	"Incentive Management"	**J. F. Lincoln,** Board Chairman, The Lincoln Electric Co., Cleveland, Ohio	Hermitage Hotel	Nov. 13
New Haven	"Organization of No. 1 Williams Street"	**Richard D. Gibson,** Vice-Pres., Lehman Brothers, New York	South Meriden House, Meriden, Conn.	Oct. 23
	"Arbitration and Its Techniques"	**Rev. John Corridan,** S. J.	Colonial House, Hamden, Conn.	Nov. 20
No. Alabama		**William E. Baumer, Vice-Pres.,** Johnson & Johnson Co.	Hotel Russel Erskine	Oct. 9
	"Scientific Aspects of Management"	**Dr. G. G. Quarles,** Chief Scientist, Army Ordnance Missile Command	Hotel Russel Erskine	Nov. 13
N. New Jersey	"Material Handling"	**W. Allen**	Hotel Suburban, E. Orange, N. J.	Oct. 9
	"Labor Relations"	**Leon B. Schachter,** Pres., Amalgamated Food & Allied Workers Union	Hotel Suburban, E. Orange, N. J.	Nov. 13
Orange Coast	Pros & Cons of "Right to Work"	**John Van DeWater**	Palms	Oct. 9
	"Human Relations"	**Dr. Mark Moody**	Palms	Nov. 13
Providence	"Long Range Planning—Making It Work"	**Henry McCrensky,** Bruce Payne Associates	Providence Engineering Soc. Bldg.	Oct. 2
	"Broadening Work Simplification—Key to Management Progress"	**V. Donald Schoeller,** Remington Rand Corp.	Providence Engineering Soc. Bldg.	Nov. 6
Raritan Valley	"Looking Into the Future" Annual Bus. & Ind. Dinner	**General Robert W. Johnson,** Chairman of the Board, Johnson & Johnson		Oct. 8
	"Self Appraisal—Group Summary Appraisal"	**Virgil K. Rowland,** Asst. Secretary, The Detroit Edison Co.		Nov. 19
Reading	"Evaluation of Human Effort in Industrial Operation"	**Dr. Lucien Brouha,** Physiologist, E & I DuPont de Nemours Co.	Valley Inn	Oct. 13
	"Time Standards and Their Contribution to Cost Reduction"	**George Fellmeth,** Industrial Engineer	Reading Country Club	Nov. 10
St. Louis	Joint Meeting with Quality Control Society "Management and Quality Control"		Golden Fried Chicken Loaf	Oct. 15
	"Future of Industrial Engineering"	**Dr. Gerald Nadler,** Washington University	Mark Twain Hotel	Nov. 25
Washington	"Management Prepares For The Conquest of Space"	**Dr. T. Keith Glennan,** Director-Designate, National Aeronautics & Space Administration		Oct. 15
	"Management in the Scientific Age" Annual Conference			Nov. 13
W. No. Car.	"What Industrial Health Means to the Individual in Industry"	**Dr. Logan T. Robertson, Jr.,** Director of Occupational Health Services, Inc.		Oct. 22
	"Developments and Trends in the Steel Industry"	**Ray E. Estes,** Vice Pres. in Charge of Marketing, United States Steel, Pittsburg		Nov. 19



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GENERAL MANAGEMENT THEORY AND PRACTICE

A-37 IDEAL AND PRACTICE IN PUBLIC ADMINISTRATION by Emmette S. Redford. 156 pp. University of Alabama. 1958. $2.50.
A profound consideration of the philosophy of public administration in a democracy and the ways in which this philosophy can and should be carried out in the daily practice of professional administrators. Written by a noted scholar in the public administration field.

A-38 MANAGEMENT'S STAKE IN RESEARCH by Murice Holland and others. 135 pp. Harper. 1958. $3.50.
A well-written review from a management standpoint of the why and how of the research dimension of corporate activities. Pointing out that continuous research is an essential of not only growth, but of survival in most industries today, the book covers ways of budgeting, managing and evaluating research activities. Written by a well-known management consultant with the aid of other experts in several of the specialized fields covered.

A-39 NEW TECHNIQUES FOR MANAGEMENT DECISION MAKING by Franklin A. Lindsay. 173 pp. McGraw-Hill. 1958. $15.00.
An experienced management consultant reports on new analytical techniques applicable to management problems. Describes the methods and uses of such increasingly useful approaches as operations research and systems analysis in a way that an intelligent executive can understand without first having to take time out to get a Ph.D. in mathematics!

MANAGEMENT TOOLS AND TECHNIQUES

B-79 INTEGRATED COST CONTROL IN THE OFFICE by Frank M. Knox. 304 pp. McGraw-Hill. 1958. $7.50.
The most recent book in the valuable series sponsored by the National Office Management Association. This book, written by a well known management consultant, reviews specific methods of controlling and reducing office costs through a planned approach.

B-80 INFORMATION AND COMMUNICATION PRACTICES IN INDUSTRY by T. E. R. Singer, ed. 310 pp. Reinhold. 1958. $8.75.
A collection of short reports by experts in the various aspects of industrial communication giving specific guidance on ways and means of organizing and operating effective internal information services. The book covers such increasingly important subjects as operations research, indexing and abstracting of technical information, patent searching and information classification methods.

B-81 PRICING IN BIG BUSINESS by A. D. H. Kaplan and others. 358 pp. Brookings Institute. 1958. $5.00.
A major new study of pricing practices and policies in large corporations in the United States. Based on case studies of 20 large corporations, the book covers not only what the pricing policies have been but analyzes the factors which have gone into pricing decisions. The book covers an important field in which there has been very little systematic study.

B-82 MATHEMATICAL PROGRAMMING by Nyles V. Reinfeld and Wm. R. Vogel. 282 pp. Prentice-Hall. 1958. $9.00.
Another up-to-date treatment of the applications of linear programming to industrial management problems.

B-83 AUTOMATIC PROCESS CONTROL by Donald Eckman. 375 pp. Wiley. 1958. $9.00.
A basic textbook on the principles and practice of developing and applying automatic control systems. Intended for the college student of industrial engineering, the book is also a useful guide for practicing engineers who have never had a chance to catch up with recent developments in this increasingly important field.

B-84 REPORTS FOR SCIENCE AND INDUSTRY by Margaret D. Bickle and Kenneth W. Houp. 330 pp. Holt. 1958. $4.75.
Detailed guidance on organizing and writing technical reports. Covers organization of material, mechanics of writing, use of graphs, charts and tables and other relevant subjects.

B-85 TECHNICAL EDITING by Benjamin H. Weil, editor. 291 pp. Reinhold. 1958. $5.75.
A collection of short articles by experts in various fields covering ways and means of getting out the technical and difficult job of effective editing of specialized documents, books, translations and other material, especially in the research and engineering fields.

B-86 PERSONNEL RESEARCH FRONTIERS by Cecil E. Goade. 176 pp. Public Personnel Assn. 1958. $3.50.
A descriptive survey of recent research activities in the personnel field. Gives special attention to the implications of these studies for public administration. A particularly useful book since so much personnel research which is done under private business assumptions needs to go through a sort of translation process to be applicable to the special problems of government personnel work.

PERSONNEL DEVELOPMENT

C-24 HOW TO SUPERVISE PEOPLE by Alfred M. Cooper. 4th ed. 257 pp. McGraw-Hill. 1958. $4.95.
The fourth edition of a well known basic work on the art of supervision, first published in 1941. The new edition covers recent developments as well as continuing principles in the field.

THE WIDER VIEW

D-38 WAR AND PEACE IN THE SPACE AGE by Lt. Gen. James M. Gavin. Harper. 1958. $5.00.
A somber appraisal of the weakness of the present U.S. military position written by a distinguished soldier who recently retired from the Army in disagreement with what he feels to be policies which have failed to keep up with the requirements of the age in which we are living. The author states flatly that "the Soviets are ahead of us technically and militarily . . . and continue to outmaneuver us diplomatically and strategically." He feels that "we are entirely able to do something about the situation, if we have the will to do so. But first of all we must be honest in appraising our weaknesses." This he does in the present book in a plain spoken way which pulls no punches.

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Providence	1538	Greenville	1067
Lancaster	1455	Raritan Val.	1043
Los Angeles	1335	London Dist.	1036
Boston	1310	W. No. Car.	1020
New Haven	1282	Binghamton	1010
Greensboro	1214	Lehigh Val.	900
Bridgeport	1205	Clearing	800
Detroit	1160	Washington	773
Fox Valley	1140	Twin City	766
Reading	1136	Central Pa.	625
No. Alabama	1135	Madison	612
Nashville	1116	N. E. Penna.	600
Alabama	1114	St. Louis	484
Milwaukee	1096	Cleveland	375
Knoxville	1093	Wilmington	100
Montreal	1074		

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Oct. 15	PLANT LAYOUT AND MATERIALS HANDLING WORKSHOP — New York City
Oct. 30-31	CREATIVITY WORKSHOP — A PROFESSIONAL APPROACH—New York City
Nov. 9-14	S.A.M — N.T.L WORKSHOP —Asheville, N. C.
Nov. 21	S.A.M RATING CLINIC — New York City
Dec. 9	LEADERSHIP SKILLS FOR EXECUTIVES WORKSHOP— New York City
Jan. 20	COST REDUCTION WORKSHOP—New York City
Feb. 1-5	S.A.M — N.T.L WORKSHOP —Western Area
Feb. 17	DECISION-MAKING SEMINAR—New York City
Mar. 10	WORK SAMPLING CLINIC —New York City
Mar. 15-20	S.A.M — N.T.L WORKSHOP —Central Area
Apr. 7	WORK SIMPLIFICATION WORKSHOP — New York City
Apr. 23-24	SPRING CONFERENCE — MANAGEMENT ENGINEERING—New York City

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